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# USSR Report

CONSUMER GOODS AND DOMESTIC TRADE

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# USSR REPORT

## CONSUMER GOODS AND DOMESTIC TRADE

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## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### USSR DEPUTY TRADE MINISTER DISCUSSES SUPPLY, DEMAND IMBALANCES

Moscow KOMMERCHESKIY VESTNIK in Russian No 2, Feb 85 pp 2-5

[Article by S. Ye. Sarukhanov, USSR deputy minister of trade: "There Are Reserves. It Is Necessary To Use Them Skilfully"]

[Text] The supply of consumer goods to the population expand production of them.

The saturation of the market with goods and the changes, which have been caused by this in the trade situation, require from trade organization and enterprise directors at all levels a continuous improvement in their work with industry and a search for new and improved ways and means for selling goods. It is necessary to point out that these main tasks are inseparable from each other since their final goal is the satisfaction of the population's growing requirements for various consumer goods and the raising of the Soviet people's prosperity.

Today, the work of trade and industrial enterprises must, on the one hand, be directed toward increasing the production volumes of goods that are in short supply in the market and, on the other hand, toward continually and fundamentally updating them and improving their variety in accordance with the demands of the population. Can the results, which have been obtained from this work, completely satisfy the requirements that have been placed on them? Unfortunately, no.

A number of important USSR Ministry of Trade and union republic ministry of trade documents have recently been adopted considering the changed situation in trade. Among them are the orders "On Improving Wholesale Trade," "On the Work To Strengthen the Influence of Trade Organizations on Raising the Quality of Consumer Goods," on studying consumer demand, and on ratifying the assortment list of goods; and the instructions on improving commercial work in connection with the change in the demand for different goods, on holding clearance sales for seasonal goods, on specializing and concentrating trade, and on ratifying assortment lists in wholesale and retail trade.

The documents are business-like and timely and comprehensively define ways to improve the work of the branch under modern conditions. As experience shows, however, they have still not been fully adopted for implementation in places and many requirements in the documents remain unfortunately on paper.

Numerous facts, which are being revealed in inspections by the USSR Ministry of Trade, people's control bodies, the USSR Ministry of Finance, and other controlling organizations, testify to this. The complaints and criticisms, which are arriving from the population, also testify to it.

It is necessary to state, however, that the qualitatively new changes in the organization of trade processes and in the arrangement of commercial and economic work, are not taking place with sufficient intensity.

That is why it is necessary to dwell in a highly principled and pointed manner on the serious deficiencies in the fulfillment of the trade turnover plan and in the organization of trade services for the population; to determine where the reason for their origin lies, and to find ways to eliminate the existing shortages in trade when summing up the results of the fourth year of the five-year plan.

It is especially necessary to point out that wholesale trade is not now completely satisfying all of the requirements that have been placed on it. Here, there are a number of substantial deficiencies in organizational, commercial, planning, and economic work. It is necessary to regard the absence of coordination between the work indicators of the wholesale link and the activity of retail organizations, which determine the final results of our branch's work, as being among the main unsolved questions. All of the efforts of wholesale trade are frequently aimed at fulfilling its own indicators. You see, however, it is known that wholesale trade turnover is not the goal but the means for achieving the goal. The goal is to fulfill the retail trade turnover plan according to which our work is, generally speaking, evaluated in the final analysis.

What is interfering with the achievement of high results? First of all, there is the presence of serious shortcomings in the work with industry, the absence of strict control over the fulfillment of delivery contracts, and the insufficient exactingness on suppliers with respect to expanding the variety of produced goods and improving their quality.

The irregular supply of goods to the retail trade network, the poor study of consumer demand, and errors in requisitions and orders for the delivery of goods are also inflicting serious losses on the fulfillment of planning targets for retail trade turnover.

Comrade K. U. Chernenko pointed out in his speech to the CPSU Central Committee Politburo meeting that it is necessary to decisively improve the supply of the population with industrial goods and services. A critical role in solving the task, which has been assigned, belongs to wholesale trade as the primary

customer and organizer of consumer goods production. The commercial activity of the wholesale link must, first of all, be aimed at obtaining goods using ear-marked funds and at finding additional trade resources in accordance with the demand of the population. It is necessary to point out that there are many imperfections in this matter. Wholesale bases are still not having sufficient influence on the formation of production plans and are not displaying the required persistence in the work to improve the variety of goods and to obtain goods in a complete and timely fashion from industry.

The lack of exactingness on the part of wholesale link workers is to no small degree the reason why the country's trade as a whole failed to receive goods valued at 2.5 billion rubles during the first nine months of last year. Such contract failures have become a chronic phenomenon. Of course, it is difficult to admit that such practices are positive ones. One cannot reconcile himself to this and, moreover, to cases where the production of goods, which are required by the population, is decreased and where there is the delivery of very simple goods of everyday use in larger volumes to individual republics and oblasts.

Assortment problems in commodity groups have recently appeared with a great deal of sharpness. Their acuteness is directly proportional to the growth in the production of items. The fact of the matter is that goods with a low consumer demand are being produced in surplus at a time when buyer demand is shifting more and more to goods that are fashionable, contemporary and of high quality. Industrial enterprises, however, do not always consider these factors; and this scornful attitude toward market requirements, it is necessary to say, costs the national economy dearly. You see, items made from crystal and porcelain, knitted outerwear and underwear, and clothing valued at three-four billion rubles remain unsold each year during inter-republic fairs alone.

In order to increase demands on industry, trade bodies must thoroughly and comprehensively know the demand. This is an axiom and -- it would seem -- there is no need to repeat it. However, an analysis of the requisitions and orders, which are presented annually by the union republic ministries of trade for commodity requirements, shows that the level of their economic justification, trustworthiness and accuracy is still increasing slowly and that there are often mistakes and errors in them.

Here are graphic examples: During 1984, the RSFSR Ministry of Trade stipulated that the primary increase -- or more than 60 percent of all the increase -- should be in cultural, everyday and household commodity resources for a small circle of scarce items -- several automobile models, automotive gasoline and furniture. At the same time, the RSFSR Ministry of Trade allowed a decrease in marketing fund volumes for 21 types of goods in comparison with 1983, including those for cameras, microcalculators, accordians, binoculars, table tennis balls, and other items.

The Ukrainian SSR Ministry of Trade also provided for an approximately 50 percent increase in resources for individual groups of scarce goods--



automobiles, furniture, etc. Yet requisitions were cut back for 22 types of goods such as cameras, floor lamps, accordians, concertinas, wash bowls, and other items. There was a similar situation in the Kazak, Uzbek and other republics.

The conclusion, which can be drawn, is the following: The requisition and order mechanism provides serious interruptions and gives birth to mistakes during the delivery of many goods. As a result, instead of orienting industry on the production of goods, which are required by the population, in the required volumes, the requisition or order often simply confuses production.

Cases where union republic ministries of trade and their wholesale organizations display elements of commodity fear, "live for today" -- if it is possible to express it this way, and do not consider the prospects for satisfying the demand for goods, are common.

For example, in 1983 the rejection of almost 2 million men's shirts arrived from the RSFSR Ministry of Trade; of 4.5 million from the Ukrainian SSR; of 140,000 from the Latvian SSR; of 120,000 from the Belorussian SSR, and of 700,000 from the Kazak SSR. At the same time, we know that the demand for men's shirts and suits is not being fully satisfied today.

A complicated situation has taken shape in the trade in woolen cloth and cotton thread for which mass rejections are coming in. You see, however, industry is not completely satisfying the trade bodies' requisitions for these goods according to our requirement.

Today, need and demand are becoming more and more dynamic. That is why the ministries of trade and wholesale organizations and enterprises must considerably improve the work of their services in studying demand and extend their analysis of it in the wholesale link. We must fundamentally reorganize this work in wholesale trade so that wholesale trade becomes an active helper of retail trade in the sale of goods when the market is saturated with goods. Unfortunately, we have often had occasion to become convinced in practice that some commodity or other, of which there is a sufficient amount, becomes a scarce one because of an incorrect, unsubstantiated and short-term evaluation of the population's demand for it and because of the absence of economic validity in the requisitions.

Today, not only woolen cloth and cotton thread but also cultural and everyday commodities and domestic utensils, including mopeds, soap, synthetic detergents and several other items, are primarily related to these goods. Literally before our eyes, for example, mopeds have moved from a commodity of which there was more than enough, to the category of those whose demand is not being satisfied at the present time. To a certain extent, this occurred with the help of the trade organizations since requisitions for mopeds were decreased two-threefold by a number of union republics during the past three years alone.

It is evident that we often forget in day-to-day practices the old commercial truth that says: Trading means forecasting. In order to forecast possible changes in the market situation correctly, it is necessary first of all to monitor accurately the fulfillment of the delivery contracts for goods and to achieve their complete fulfillment. This is still important because the links between trade and industry are being improved at the present time. Since 1 January 1985, six union republic ministries of light industry have been working under the conditions of the experiment, and the evaluation of their activity will completely depend on the fulfillment of the assortment delivery contract.

It is necessary to say right out: The contract work for the delivery of goods still does not fully answer the requirements that have been imposed on it.

One of the main deficiencies in the majority of contracts is the absence of an expanded assortment in the specifications of all indicators. This makes a contract non-specific and lowers the responsibility of the supplier. As a rule, wholesale bases purchase goods from industries and other wholesale bases in an expanded range of products and they sell them to retail trade organizations in a group assortment. Evidently, there exists the necessity to recall once again that the quality of the execution of delivery contracts depends to a great extent on the quality of their conclusion. These documents, which regulate relations between trade bodies and industry, must reflect without fail such items as models, style, colors, sizes, packaging, packing, design, and other commodity characteristics as well as the particular delivery periods and the marking of the goods. A similar detail should also exist in the contracts of wholesale enterprises with retail trade bodies. All of this is necessary so that, as the scientists say, the dictates of the consumer and not of the supplier will be assured during the delivery process of the goods.

Trade specialists, however, well understand that determining the assortment of goods to be delivered in contracts is only half of the affair. It is necessary to monitor the strict observance of contracts continuously and to take steps to influence the manufacturer with each violation.

The successful fulfillment of these tasks will depend to a great extent on the correctly organized commercial work of the wholesale bases and on the rational distribution of commodity assets between wholesale trade and retail trade bodies. Many commercial errors and interruptions in commodity supply occur for the reason that the wholesale trade bodies have still not become full and equal masters of trade. Everywhere, the major portion of commodity assets is located as before in the retail trade sector. Despite the steps which are being taken, the situation is changing extremely slowly. The main reason for this is the fact that the alignment of storage area, which has taken shape, is now far from being in favor of the wholesale trade sector. Today, there are only 6.8 million square meters (26 percent) in the wholesale trade sector, the remaining portion -- 19.2 million square meters (74 percent) -- is in retail trade organizations. The wholesale trade percentage in the



RSFSR is only 19.4 percent of the total available storage area; and 16.4 percent -- in the Azerbaijan SSR.

To a certain extent, this distribution of storage area also influences the siting of commodity stocks, contributes to their scattering into a multitude of small warehouses, hinders maneuverability, and leads to the duplication of functions, multi-link commodity movement, the slowing down of turnover, and an increase in requirements for stocks. In addition, one must not forget that the storage of goods is two-threefold cheaper in the wholesale sector than in the retail sector.

The task of concentrating commodity stocks in the wholesale trade sector cannot be solved without a change in the proportion that has taken shape in the distribution of storage areas between the wholesale and retail sector for the branch in general. That is why the redistribution of existing storage assets is being correctly implemented in a number of republics by transferring the warehouses of retail organizations to wholesale ones. The percentage of wholesale storage area ranges from 50 to 63 percent in such republics as the Kazak, Estonian, and Tajik at the present time.

The experience of the Lithuanian SSR has shown that a decrease in commodity stocks in the retail trade sector (city of Vilnius) occurred as a result of strengthening the wholesale trade material and technical base and that part of their norms was transferred to wholesale organizations. This permitted the maneuverability level of stocks to be increased and the commodity supply of the retail trade network to be considerably improved.

The decisive factor in improving the commodity supply of stores is the increase in the percentage of warehouse trade turnover. The increase in warehouse trade turnover for the republics is, however, still insignificant. For example, the proportion of warehouse trade turnover in the Ukraine is 78 percent for household goods and 92 percent for cultural goods, in the RSFSR, they are 26 and 45 percent, respectively; in the Kazak SSR, it is 98 percent for cultural goods; but in Belorussia, it is only 55 percent.

It is impossible to admit that such a situation is normal. The warehouse form for supplying the retail network with a complicated assortment of goods and with goods for which there is a seasonal demand, is the most advantageous one. That is why it is necessary to expand it especially now when there is an uninterrupted saturation of the market with different goods both in volume and in variety.

The providing of additional services to retail enterprises by the wholesale sector--services which free stores as much as possible from superfluous goods and from the burden of above-norm commodity stocks -- and the improvement of centralized delivery of goods have important significance for retail enterprises.

The "Recommendations on Expanding the Services Provided by Wholesale Bases and Offices to Retail Trade Enterprises," which have been approved by the USSR

Ministry of Trade, have still not found universal application in the work practices of the wholesale bases, however. Only some bases in the Ukraine and Belorussia have organized the receipt of goods, which have been needlessly sent by the retail sector, in the warehouses of the bases; are helping to organize sales exhibits and advertising campaigns; and providing a number of other services to the retail trade sector.

These services are all the more necessary now when the sale of goods is requiring ever greater activity. Under these conditions, daily, active and purposeful work is necessary, including that of the wholesale bases, in order to more fully fill stores with sufficient goods in a wide variety.

However, the orders and repeated instructions of the USSR Ministry of Trade, which are aimed at improving commercial work in connection with the change in the trade situation, at stirring up the sale of goods that are in sufficient quantity, at providing trade organizations with a wide assortment of items, and at using active and effective advertising, are still not being fully implemented. It is necessary to recognize that a significant proportion of the guilt of wholesale trade -- the most mobile and organized part of our trade system -- lies in this.

Inspections in different rayons of the country systematically reveal cases of unsatisfactory work by wholesale bases and also by retail trade organizations and enterprises in insuring the continual availability of bread, groats, macaroni, grape wine, mandarin orange juice and jam, chewing gum, televisions, cameras, photographic enlargers, power elements for electronic watches, bicycles, crystal items, aluminum dishes, and many other items for sale. Individual goods were offered for sale in an extremely limited variety (watches, carpets and carpet items, toilet soap, and fish). Who, if not trade specialists, should know that all the mentioned gaps are directly connected with the losses in trade turnover and with the lowering of service standards?

An analysis of the state of trade during the five-year plan's years, which have passed, shows that many still unsolved questions are connected with the normalization of commodity stocks. As is known, the norms of commodity stocks in the state retail and wholesale trade in non-food products have been increased since last year (by eight days and seven days). On 1 October 1984, the stocks of goods were 86.4 billion rubles (800 million rubles lower than the norm, or one day of trade).

However, the status of commodity stocks has not stabilized even under these conditions in a number of republics, and large above-norm remainders continue to exist.

Commodity stocks are a mirror in which the commercial work of the trade organizations is reflected. It is necessary to judge the commercial activity of trade specialists and their professionalism based on their condition and the rates of commodity turnover.

The deficiencies in the distribution and redistribution of commodity resources and in their movement led to an increase in the norms for commodity stocks in the retail trade sector of the Azerbaijan SSR by 23 days (256 million rubles); of the Turkmen SSR -- by 20 days (125 million rubles); and of the Uzbek and Georgian Union Republics -- by 17 days (588 million and 216 million rubles, respectively) on 1 October 1984.

This is the result of poor exactingness by wholesale organizations in the production and delivery of goods in strict compliance with the contracts, which have been completed, for variety and quality.

The correct and scientifically sound organization of trade processes, the rational typification of stores and their siting are the most important factors in raising the population's service standards and in fulfilling the trade turnover plan. One can say right out that it is impossible today to admit that the performance of the work to incorporate advanced and progressive trading methods is satisfactory for the branch as a whole.

Let us begin with the question of trade specialization. For the country as a whole it has only reached 63 percent now, for footwear it is only 48 percent; and for electrical goods 38 percent. The level of specialization in the Azerbaijan, Moldavian and Armenian union republics varies between 22 percent and 38 percent. In the Kozak SSR, an increase in the area for electrical goods within the specialized network occurred only in 4 out of 19 oblasts during the first three years of the five-year plan; that for radio items -- in 7; and for photography items, the size of the area remained at the 1980 level. There are no stores for radio goods in five oblasts. Inspections which were conducted in 1984, again revealed cases of unsound organization for the sale of carpets, jewelry, furs, and complicated technical items.

Today, the question of forming a wide assortment of fashionable clothing, footwear, toilet items for young women and men, whose sale is being organized in the "Commodities for Youth" stores, is also an acute one.

Unfortunately, there are only about 40 of these stores in the country. There is not a single youth store in the majority of the oblasts in the Russian Federation and the Azerbaijan, Lithuanian and Turkmen union republics.

Undoubtedly the question of forming a range of youth products does not only consist of opening stores. Active work by the union republic ministries of trade with the republic's industrial enterprises is also required here.

Stores selling "Make It Yourself," "Garden Tools," "Building Materials," and other children's items, which require special attention, are not receiving the necessary development.

There are no stores for the sale of garden houses and construction materials within the state trading system in a single republic today.

The importance of the work being conducted regarding the specialization of the retail network and the concentration of sales of individual groups of commodities is also growing in connection with the fact that its fulfillment is creating one of the most important preconditions for establishing wholesale-retail associations, about which I would like to talk in more detail.

The wholesale-retail associations for trade in furniture, sports goods, jewelry, and construction materials, which exist in a number of union republics, have permitted the influence on industry with respect to increasing the production of goods, improving their quality, and expanding and updating their variety to be strengthened.

As experience shows, the material and technical bases of the wholesale-retail associations are being aimed in a more planned manner and being used more fully thanks to the concentration of resources on their development.

The labor payment system, under which the material incentives of the wholesale link workers depend on the results of the retail trade network's activity, is also contributing to the effectiveness of the operations of the wholesale-retail associations.

The Ukrainian SSR has accumulated many years of positive experience in the operation of these associations. Thus, the Mebel' and Sporttovary wholesale-retail associations, in which up to 90 percent of the retail sales of goods within their range of products have been concentrated today, are performing purposeful and planned work to form an assortment of their commodity groups and to attract new industrial enterprises to their production.

The Mebel' Association has contract ties with 287 industrial enterprises. During the years of the association's existence, industry has completely updated twice the assortment of furniture being produced based on the association's recommendations. During this period, the Mebel' Association has increased the area of its stores almost 6-fold (from 19,000 square meters to 153,000 square meters); of its warehouses -- 30-fold, and retail trade turnover-- 9-fold. The latter reached 1.026 billion rubles in 1984. The Sporttovary Association also has achieved similar results.

This type of association is also operating in the Belorussian SSR, Kazak SSR, Georgian SSR, and Azerbaijan SSR -- but where are the other followers of this useful experience?

Seasonal clearance sales of items at lower prices have recently become an important feature in the commercial work of the branch.

Two season clearance sales of non-food products at lower prices were conducted last year in compliance with a decision of the government.

Inspections, which were conducted by the USSR Ministry of Trade and the USSR Ministry of Finance, have shown that the trade organizations and enterprises



of the Belorussian SSR, Uzbek SSR, Lithuanian SSR, and Estonian SSR and of a number of RSFSR oblasts submitted -- in violation of the established procedure for the seasonal clearance sale of goods -- a large amount of "old" goods (produced prior to 1981) for the clearance sale at lower prices and that they did not insure the required organization for the clearance sale of seasonal goods itself and the timely shipment of these goods from the wholesale bases and warehouses to the retail trade network.

In many of the country's rayons customers do not have a clear picture of the new method for selling items at reduced prices because of the poor organization of advertising and information about the goods, although special attention was directed to this in the order and instructions of the USSR Ministry of Trade.

All of this has had a negative effect on their sale (in two months -- 47 percent of the total amount), but it was only 30 percent-40 percent in the Belorussian SSR, Uzbek SSR, Lithuanian SSR, Estonian SSR, and in a number of autonomous republics, krays and oblasts in the RSFSR.

It is necessary to mention that the correct conclusions were drawn from the mistakes that were made and that the second fall clearance sale of goods took place with higher results.

Based on USSR Central Statistical Administration data, the sale of spring and summer seasonal items during the trading month reached for the country as a whole 326.5 million rubles or 52 percent, including 191 million rubles or 61 percent in state trade. This is significantly higher than the level of sales during the similar period for fall and winter seasonal goods.

The final year of the 11th Five-Year Plan is placing before trade workers critical tasks in fulfilling the established planning targets and in raising the quality of services further. In order to carry out what has been planned, it is necessary to intensify work everywhere and to use all existing reserves more fully.

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CONSUMER GOODS PRODUCTION AND DISTRIBUTION

OFFICIALS REPLY TO TARASOV'S CRITICISM OF TEXTILE MACHINERY

Moscow SOTSIALISTICHESKAYA INDUSTRIYA in Russian 21 Feb 85 p 2

[Article: "Fabrics for All"; for earlier 10 Nov 84 SOTSIALISTICHESKAYA INDUSTRIYA article see JPRS USSR REPORT: CONSUMER GOODS AND DOMESTIC TRADE, No JPRS-UCG-84-025, 13 Dec 84 pp 23-26]

[Text] This was the title of an article by N. Tarasov, minister of the USSR light industry, which was published in the newspaper on 10 November 1984. After describing what the textile workers were doing to increase production of cotton fabrics, the author then criticized some plants of the Minlegpishchemash [Ministry of Machine Building for Light and Food Industry and Household Appliances] for the output of poor quality equipment. He also criticized chemical workers, who were not providing enough necessary dyes.

The editorial office has received some responses to this article. G. Kurganov, deputy minister of machine building for light and food industry and household appliances, informs us that organizations and enterprises of the ministry are adopting measures aimed at improving the quality of equipment and eliminating the lag in its output according to periods. Instead of small-scale carding machines, which do not meet the requirements of the light industry, it has been decided to begin production as of 1985 of highly productive ChM-50 carding machines of normal size with a group system for the removal of dust, lint and waste. Moreover, a highly productive ChMD-5 carding machine has been designed, which is equipped with a bin feeder, a regulator of the line density of the sliver and a device for replacing cans. Its series production will also begin in 1985.

In order to improve reliability and technical-economical and operational indicators of drawing frames, which are produced by the Penza Textile Machine Building Plant, work is being conducted to modernize them. During the first quarter of 1985, experimental models of the modernized frames will be produced, they will undergo tests in the fourth quarter and their series production will begin in 1986.

On the basis of test results of spinning frame units, which are produced by the Uzbektekstil'mash Association [not further identified], and comments made by factories, measures have been drawn up for improving operational reliability and stability of frames. These measures will be realized in 1985.

Also in 1985, the Shuyskiy Machine Building Plant has been assigned to produce 100 STR-type draw looms for the manufacture of jeans fabric.

The production plans for 1985 provides for the output of R184 million worth of industrial equipment spare parts for the light industry. The increase compared with the preceding year is 3.8 percent.

The editorial office has also received a response from V. Alekseyev, chief of the Soyuzanilprom [All-Union Dyes and Organic Products Industry Association] of the Minkhimprom [Ministry of the Chemical Industry]. He writes that the criticism by N. Tarasov, minister of the USSR light industry, was acknowledged to be valid. Indeed, the variety of reactive dyes is insufficient. At the present time, enterprises of the All-Union Dyes and Organic Products Industry Association are producing 31 brands. In 1984, development was completed of two more brands of turquoise color reactive dyes. Their output in 1985 will make it possible to fully satisfy the light industry's requirements in such dyes.

The output of blue dye will also be organized in 1985.

The Rubezhanskoye Krasitel' Scientific Production Association did not fulfill its last year's plan for the supply of some brands of vat dyes to light industry enterprises, including yellow and blue dyes. This is connected with the lack of raw material--benzoyl chloride. The Ministry of the Chemical Industry has adopted a decision on purchasing benzoyl chloride through importation. This will make it possible for the enterprise to supply yellow brand vat dyes to the USSR Minlegprom [Ministry of Light Industry].

Measures are also being adopted to organize the output of a semifinished product for blue brand dyes. Normal operation of the production will be ensured in 1985.

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## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### BETTER DELIVERY METHODS, PACKAGING PRACTICES IN RSFSR URGED

Moscow SOVETSKAYA TORGOVLYA in Russian No 2, Feb 85 pp 5-8

[Article by RSFSR Trade Minister V. Shimanskiy: "To Advanced Technology"]

[Text] Our time is characterized by the penetration of the achievements of scientific-technical progress into all spheres of human activity. Trade is becoming more and more involved in this process as well. Since the start of the current five-year plan, in the system of Mintorg [Ministry of Trade] of the Russian Federation alone, nearly a half-million (483,000) units of various modern trade and industrial equipment have been put into operation, at a cost of 310 million rubles; moreover, almost 70 per cent was spent to replace worn-out and obsolescent equipment in the course of reorganization of enterprises now in operation. The use of automation and electronics has become more extensive. And the ratio of capital to labor among the trade workers has grown by 20 per cent.

And nevertheless manual labor is still predominant in trade, especially for loading and unloading work connected with shipping and processing food-stuffs. Because of a shortage of porters, the sales clerks, cashiers and other workers in the stores are forced to perform these operations--which takes them away from their basic responsibilities; which in turn leads to a reduction in the quality of service provided to the populace. Moreover, in trade up to 80 per cent of the workers in the common vocations are women, for whom the labor of hauling loads around is burdensome.

One of the cardinal means of mechanization and reduction of the proportion of manual labor in trade is wide-scale introduction of industrial technology for goods handling, using container equipment for shipping and sales of pre-packaged goods. The essence of this method and its significance to the national economy today are clear to everyone. They have been proven by successful introduction of container equipment to trade in Moscow, Klaipeda, and Voroshilovgrad.

Handling goods in container equipment was first employed in the RSFSR in 1972 at three stores of the "Mosovoshch" [Moscow Vegetable Trade Association]. Presently not only vegetables, but also bread, grocery items, dairy and sour cream products, beer, nonalcoholic beverages and a number of other food items, as well as paper products, laundry detergent, paint, dishes and many other articles are supplied to more than 1,000 Moscow stores by this method. In 1983 alone, more than 1,000,000 tons of food products were

supplied to Moscow stores in container equipment. More than 9,000 workers were freed from manual labor, and labor costs were reduced by a factor of five; and the amount of motor transportation required for this purpose was reduced by a factor of three.

The extensive assistance rendered by party and soviet authorities in the capital has influenced these results. In 1979 the bureau of the Moscow City Committee of the CPSU approved a program for introduction of container shipment and sales of foodstuffs in Moscow, which defined the volume of goods to be delivered in container equipment; measures for increasing production; reorganization of food industry enterprises, stores, and transportation facilities for working with container equipment; and so on.

The active impulse for introducing this method to trade in the republic was provided by the development of comprehensive territorial and inter-branch programs for rationalization of trade in the oblasts, krays and autonomous republics. In these programs primary emphasis was given to the task of intensive introduction of equipment for goods handling, employing container equipment. Also defined were tasks for reequipping the stores, wholesale bases and industrial enterprises for these purposes.

In 1983 RSFSR Mintorg completed development of a special-purpose comprehensive program for reduction of manual labor in the 11th Five Year Plan, in accordance with which the local trade authorities were given annual tasks for absolute reduction of the number of workers employed at manual labor. On the basis of changing to container equipment operations in these stores and mechanization of the production processes and loading-unloading operations, this program envisages freeing no less than 102,000 workers from manual labor.

In order to coordinate and provide direct supervision for all of this work, coordination councils have been set up in the many oblast (and kray) ispolkoms and Councils of Ministers. Membership on the councils include representatives from the industrial branches concerned, from trade, transportation, and other economic organizations.

Presently about 3,000 stores in RSFSR state trade are using container equipment. The more active of these are found in Moscow, Sverdlovsk, Penza, and Lipetsk Oblasts; Stavropol' and Krasnodar Krays; and Dagestan and Bashkir ASSR's. Industrial systems of goods handling are in use in Chelyabinsk, Kemerovo and Yaroslavl' Oblasts, and in Krasnoyarsk Kray.

The change to advanced methods for delivering goods has required significant changes in deciding production processes in the stores and in reorganizing the existing enterprises. In spite of the limited amounts of capital investments, the Ministry has earmarked the basic part of these funds for the current five-year plan (nearly 50 million rubles annually) for reorganizing the food stores. In many of the oblasts, krays and autonomous republics, the facilities of industrial enterprises have been enlisted for these purposes. Thus, in carrying out the inter-branch comprehensive program for



rationalization of trade, by virtue of sponsor-assistance 500,000 rubles were sent to Penza for the purpose of reorganizing the stores; 400,000 rubles to Dagestan ASSR; 700,000 to Yaroslavl' Oblast; 550,000 rubles to Altay Kray; and so on.

Another important task is no less demanding--to set up a pool of container equipment and to furnish the trade enterprises with the means necessary to mechanize work with it.

Insofar as these kinds of equipment are not being manufactured centrally and have not been furnished to trade, it became necessary to organize their production right at the Ministries' enterprises. Enlisting the aid of efficiency experts and skilled craftsmen, several types of containers were designed and built, and work was carried out to free up the required production capacities. Enterprises of other branches of industry took it upon themselves, in the capacity of sponsor assistance, to build a certain number of containers. Local party and soviet organs rendered a great deal of assistance in this matter, to include searching for the necessary metals.

Several kinds of mechanisms were created by specialists from the Ministry for unloading the container equipment from motor vehicles and moving them into the store, and production has been assimilated. For one thing, use of this machinery reduces the need for trucks with tailgate lifts.

In comparison with 1981, production of container equipment has increased by a factor of 1.5; for machinery to unload the containers from the trucks and move them inside the stores there was a threefold increase. In all there are nearly a half-million units of container equipment in the retail trade system of RSFSR Mintorg.

At the end of September 1984, the RSFSR Ministry of Trade conducted a review of the containers and machinery produced in the republic. All models in series production were displayed there, as well as promising designs from the designing organizations and efficiency experts in the system. By virtue of standardization of parts in the new designs for container equipment, large savings were achieved for materials, and labor required for their manufacturing was reduced by 20 per cent. The capability was provided for production of containers in all shapes and sizes on a uniform technical basis.

At the review, high marks were given to 500-kg capacity equipment for loading, unloading and moving the container equipment, to a hand-cart with a hydraulic forklift for working with container equipment with rigid supports in the stores, and to certain other means of mechanization, developed and produced by the "Torgmash" and "Rostorgmontazh" trusts in the system of RSFSR Mintorg (These include devices for weighing-out and packaging dry foodstuffs and confectionary goods, with machinery for loading the goods and putting the packaged products into the containers).

However, the level and scale of operations for putting the new technology into use for goods-handling and their results do not and cannot please us in the least. There are still a great many unresolved problems here.



First of all there's the insufficient proportion of goods deliveries to the stores in container equipment. Even where this indicator is the highest two technologies exist in parallel and overlap: delivery in container equipment, and in the traditional manner, which does not permit eliminating the use of manual labor and thereby reduce the number of workers employed in loading and unloading operations. The use of containers is not yet providing the calculated economic effect. More than half of them are not moving, and are being used merely as part of the store's inventory. Container turnovers amount to 12-17 at best, instead of the estimated 60 per year.

This is largely the fault of the trade workers, who quite often use the containers unwisely, without taking their functional purpose into consideration. You see, if all such goods as bread and milk were brought into the sales area in container equipment, this method would embrace up to 40 per cent of the food items. The republic ministry of trade has now established a strict procedure, whereby containers will be allocated only to those oblasts or cities where all conditions have been established for moving the container equipment, in accordance with the system: industrial enterprise shop--transportation--store sales area.

The time has come for planning an indicator for the volume of goods delivered in containers, and an indicator for the turnover rate for units of container equipment. Correspondingly, accounting must be established for these indicators, and a system thought up for providing material incentives to the workers in trade, industry and motor transport for fulfilling them. All of this will promote wider introduction of industrial technology for supplying goods with the use of container equipment.

But at the same time a number of organizational and technical problems must be solved more quickly.

One of the main obstacles in the path of moving goods with the use of container equipment is the fact that this new technology has been poorly coordinated with industry; many of its enterprises do not possess the conditions for supplying goods by this method and are not yet giving sufficient attention to this problem. Even in Penza and Lipetsk, which are taking part in the inter-branch program for the current five-year plan, they will not be able to achieve the planned volumes of deliveries of goods in container equipment from the supplier enterprises, although the number of stores which are ready for this system, and the container equipment and associated mechanical equipment which is on hand, permits not only carrying out the tasks for goods handling using the new technology, but also significantly overfulfilling them.

Practical experience in introducing advanced technology points to the necessity for the trade organizations to constantly exert pressure on the suppliers of the goods in order to improve the volume and expand the assortment of products delivered to the stores in container equipment. Taking into consideration the inter-branch nature of the new system of goods supply, the local Soviets of People's Deputies should take an active role in this matter.

Successful introduction of container equipment requires organization of industrial weighing-out and packaging of foodstuffs. But this problem is still not being solved satisfactorily. The proportion of packaged goods to the total volume of deliveries has remained at the same level in the republic (about 40 per cent) for a number of years. And this includes delivery of goods in glass containers. For many goods it's a lot lower: in 1983 only 4.0 per cent of the sugar and granulated sugar in retail trade was prepackaged by industry; for animal fats, the figure was 7.0 per cent; for sour cream and confectionary goods, 15-18 per cent; for salt, 25 per cent; for vegetable oil, 21 per cent; and so on.

Trade has been forced to organize its own weighing-out and packaging shops. Tasks for constructing them, and volumes for packaging and delivering the goods to the stores are among the indicators in the ministry's plan. At present, we have 400 such enterprises. They package five times as much sugar as the sugar industry, four times as much animal fats, and three times as much groats and flour. And the picture is the same for many other goods. In Moscow, Penza, Lipetsk and a number of other cities, a large portion of the commodities in the range of goods of Rosoptprodorg [RSFSR Republic Office of the Wholesale Trade in Industrial Goods] is packaged at its enterprises and supplied to the stores in container equipment.

From all points of view, weighing-out and packaging of goods for trade is inefficient. You see, the labor and financial expenses connected with it exceed the industrial expenses twofold; the losses are greater, and the quality and organization of packaging are not as good as those at the factories. At the same time the existing industrial capacities for packaging goods are very frequently not fully utilized, and the equipment is operated only during one shift. There are numerous instances in which the industrial enterprises have not only not increased, but have reduced the proportion of production of packaged products (for example, Lenmel'kombinat [probably Leningrad Flour Milling Combine], Lenmaslozhirkombinat [probably Leningrad Oil and Fats Combine], the Ivanovo Margarine Plant, the "Krasnaya Zvezda" [Red Star] Confectionary Factory in Tomsk, and others).

It's high time to establish annual planned assignments for the food branches of industry for packaging volumes, and for delivering packaged products to trade in container equipment. Otherwise, the task set by the USSR Food Program for bringing the proportion of packaged goods delivered to trade up to 60-70 per cent of the total volume, will not be fulfilled. And this will have a negative effect on the effectiveness of technology for goods handling using container equipment. Along with this, the food branches of industry must not fail to take account of supplying goods in packages or blocks, wrapped in polyethylene film, since experience in using this method shows it to be very promising.

Trade should be working more actively and energetically with the suppliers, and should be striving to get products from them which are completely ready for sale--packaged, wrapped, and labeled. But although industry is not capable of providing the required volumes of packaged products, centralized packaging of goods in trade must not be abandoned; it must be developed, and

above all at the enterprises of Rosoptprodorg and Rosmyasomoltorg [probably RSFSR Republic Office for Trade in Meat and Dairy Products]. Although they are currently packaging a considerable amount of their products, one cannot say that this is a sufficient amount. In the coming two or three years the volume of packaging and delivery of goods in container equipment from these enterprises is to grow considerably. This has been entered into the plan for 1985, and in the draft plans for the coming five-year plan.

Supply of non-food items to the stores in container equipment is also beginning to increase. Wholesale enterprises and retail trade organizations are obligated to persistently strive to achieve overall increase in deliveries of goods to the sales areas in containers, directly from the workshops at the plants and factories. But in those places where they are unable to do this, the wholesale bases must take it upon themselves to deliver soap powders, paper products, paints, dishes and other similar goods to the retail system only in containers.

The introduction of advanced technology to supplying goods with the use of container equipment is still based primarily on local initiative. There are practically no planned initiatives, and interaction and cooperation among those taking part in this process have not been properly organized. And you see, this problem has already grown beyond departmental or local bounds, and requires coordinated actions, and comprehensive solution not only on a republic but on a country-wide scale, for such questions as--the choice of types of containers, means of mechanization, technology for carrying out the work, adoption of legal norms, and so on; that is, it requires a unified approach, uniform requirements, and uniform norms for industry, transport and trade. Owing to the lack of a unified approach the introduction of new technology for goods handling is being delayed, and is not providing the required economic and social effect; the use of manual labor in general in the chain "production-delivery-sale" is not being reduced, but is being redistributed among these links.

With the introduction of new technology, the lack of containers, their lack of technical improvement, and the lack of uniformity are having an increasingly severe effect.

The coming five-year plan envisages placing no less than 7,000 stores in 38 cities in the Russian Federation on container equipment operations, for which nearly 2 million containers are needed. Even with complete mobilization of all resources and capabilities of the enterprises of the "Torgmash" [possibly Republic Trade Machinery Manufacturing Association] and "Rostorgmontazh" [RSFSR Republic Specialized Trust for the Installation of Refrigeration and Trade Equipment], no more than 400,000 units can be produced--which is a twofold increase in production volume for the current five-year plan, but this is only one-fourth of what is required.

As was already stressed, many ispolkoms of the kray, oblast and city Councils of the People's Deputies are enlisting major industrial enterprises for manufacture of container equipment. Thus, in Sverdlovsk, Voronezh,



Chelyabinsk and Kemerovo Oblasts, decisions were made and orders were placed at industrial enterprises for their production. Our suppliers--the Ministry of the Meat and Dairy Industry and the Ministry of the Food Industry--have also begun manufacturing containers. But to tell the truth, they are still taking a timid approach to the matter.

However, to supply the trade network with container equipment and means of mechanization in the required amounts, only by means of what are actually self-help measures, does not seem possible.

The only proper way to solve the problem of wide-scale introduction of new technology to goods-handling is centralization, through an all-union comprehensive program under the aegis of USSR Gosplan, Gossnab, Minlegpishchemash [Ministry of Machine Building for Light and Food Industry and Household Appliances], and Mintorg.

It appears necessary to first centralize production of container equipment and means of mechanization of the loading, unloading and warehouse work involving their use. For this specialized production capacities are needed, as well as special allocations of metal and other material resources.

The design of the container equipment needs to be improved, and it must be standardized. Presently, 12 types of containers are being produced in the RSFSR alone, and many more different types in the nation as a whole. Many of them are not durable, or they use too much metal, or they are hard to make and repair, or they are not suitable for work with forklift equipment. Thought should also be given to substituting polymer materials for the metals used in the manufacture of container equipment. Containers made of polymers are lighter, do not require repairs, and so on. The entire policy for developing and producing container equipment should be implemented by USSR Gossnab.

Problems connected with introduction of the new technology should be solved more quickly by Minlegpishchemash. Its design organizations and its plants are still doing a very poor job of creating high-productivity machinery for weighing out, packaging and wrapping products, and for putting them into the container equipment at the food enterprises and at specialized workshops in the trade system. Such equipment is being produced only as single units, and they are far from perfect at that. A similar situation exists with the means of mechanization for working with the containers.

The ministries of trade; of the food, meat and dairy industries; of procurement; and other departments must in turn expand production of containers and machinery for working with them, and use all of their capabilities for this purpose--under the coordinating influence of USSR Gossnab and Minlegpishchemash, which must furnish them the necessary technical documentation, and ensure that its requirements are observed.

In order to expand production of containers at the plants belonging to trade and other branches, they must be better supplied with resources for sheet metal and other materials. For example, RSFSR Mintorg needs 20,000 tons of

sheet metal and 10,000 tons of wire per year for manufacturing the container equipment and the machinery for working with them. Only one-fourth of the required funds are being allocated, and this gap cannot be covered by other sources.

Further expanding the production of container equipment at plants subordinate to the ministry of trade, as well as organizing specialized production for centralized repair (which has already become a problem; and tomorrow, when there will be even more containers, it will become even more acute) requires multistep welding and metal-working equipment, and equipment for the galvanizing shops. This requires not only the appropriate funding, but also the appropriate capital investments.

Motor transport is another bottleneck in moving goods in containers. There is a severe shortage of specialized vehicles for delivering them. There are less than 3,000 in the system of RSFSR Minavtotrans [Ministry of Motor Transport]. As is well-known, Minavtoprom [Ministry of the Automotive Industry] does not produce vehicles with load-lifting devices. Enterprises of RSFSR Minavtotrans are engaged in reequipping the vehicles. They are frequently doing this in a primitive manner, and the quality of workmanship is poor. The machinery is unreliable in operation, frequently breaks down, and there is a shortage of spare parts, which leads to disruptions in goods delivery.

A smoothly-functioning system of goods delivery using container equipment cannot be provided without taking effective measures to satisfy the need for reliable, specialized motor transport. This problem must be solved quickly.

Mintorg of the Russian Federation is working closely with RSFSR Minavtotrans. At a joint staff meeting in August 1984, questions were examined on increasing the effectiveness of use of motor transport assets by developing containerization, among other things. Currently work is being completed on a joint comprehensive program for improving goods shipments for 1985 and for the 12th Five Year Plan. The program envisages joint measures for significantly expanding goods deliveries to the trade system using container equipment.

Overall mechanization of goods delivery requires solving a number of other problems as well. Among these, improving the organizational structure of the management of retail trade in the cities has a prominent position. Strengthening retail trade organizations permits achieving a greater economic effect through use of advanced systems of goods handling. Concentrating the labor, material and financial resources in the hands of the associations permits more effective implementation of the introduction of new technology.

Timely solution of the organizational and legal problems in the new technology of delivery and sale of goods through the use of container equipment is becoming extremely important. As long as there were comparatively few containers, the questions did not arise as to who owns them, who should account for them, who should repair them, how should accounting and settlement be organized for container movement, and so on. But now these questions cannot be brushed aside. Everything must be made clear.



Taking into consideration the experience which has been accumulated, careful examination must be made of the existing legal norms which regulate the interrelationships of the parties involved, and model technological programs and recommendations must be defined for introduction of advanced technology to goods movement in all of its constituent parts.

Effective management of goods movement using container equipment requires a carefully-organized dispatcher service, which covers all the participants. It must ensure the most rational and effective use of containers and vehicles, timely supply of the required goods to the stores, hauling away empty containers and delivering them to the industrial enterprises and bases for loading, and so on. In order to carry out all of these functions the dispatcher service must be well-supplied with all the modern means of communications, electronic computers and peripheral equipment. The existing information-dispatcher service in the trade organizations should serve as the material basis of the inter-branch dispatcher services; but they must be prepared to solve the new and more complex tasks well ahead of time.

A great deal of attention must be devoted to perfecting planning, accounting and accountability, which should bring about close contacts among the sub-contractors, and make them equally interested in the extensive use of container equipment.

The introduction of an industrial system of goods delivery is an inter-branch problem and it must be solved through joint efforts.

In any new business, the best experiences should be constantly studied, summarized and selected, so that they can be made use of everywhere. In this respect the inter-branch seminar and conference held in Voroshilovgrad last Fall was extremely beneficial and instructive. At the conference, the participants were shown an example of how to use container equipment effectively. RSFSR Mintorg is taking this experience and the recommendations of the seminar-conference into consideration in its practical work on organizing advanced technology for supplying goods.

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## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### FELT BOOT SHORTAGE IN SIBERIA, FAR NORTH AROUSES CONCERN

Moscow IZVESTIYA in Russian 29 Jan 85 p 3

[Article by A. Yershov, P. Novokshonov and Yu. Khrenov, special correspondents of IZVESTIYA: "Felt Boots, Felt Boots..." under the rubric "A Problem"]

[Text] When the reconstruction, in essence the construction of a new felt boot factory on an old site, began in Velikiy Ustyug, Vologda Oblast, inhabitants of the whole surrounding kray concluded that soon--as soon as the factory began to operate--an era of felt boot abundance would come to their area. Now, the factory has been in operation more than two years, but there is no more abundance of felt boots than there was before.

Previously, before this reconstruction began, another factory of the same type operated in the oblast. This factory was smaller and under the jurisdiction of a local department. Despite its modest size it produced 95,000 pairs of felt boots per year. It is true that the factory was housed in facilities that needed repair and had antiquated and worn equipment. However, local authorities had a plan for its renovation, but this plan, unfortunately, was aborted due to the construction of the new Velikiy Ustyug "giant." A convenient pretext had materialized, and authorities simply closed down the old factory.

The large new factory, however, did not justify the hopes that people had for it. Reconstruction work ended in 1982, and it was anticipated that in 1983 the factory would be operating at its designed capacity and would produce 500,000 pairs of felt boots. It did not, and even the plan for this year is only 368,000 pairs.

Later we shall return to the reasons for the delay in reaching production capacity in Velikiy Ustyug. First, in order to provide a more complete picture we would like to say that together with enterprises of the Ministry of Light Industry (the Velikiy Ustyug factory belongs to this ministry) and the Ministry of Local Industry, enterprises of the Ministry of Domestic Services for the Public and consumer cooperatives also are engaged in felt boot production in the Vologda Oblast. However, their share in this is insignificant, in addition to which their production is primarily to order, with the result that from this area little production enters the retail trade. Incidentally, when reconstruction began in Velikiy Ustyug, there

was a strong temptation to close down these enterprises. Nevertheless, authorities or else the situation now would have been worse than it is. All Velikiy Ustyug production is distributed according to a centralized delivery system, and very little of it remains in the oblast.

It is difficult to buy felt boots today in Vologda! However, it is also difficult to buy them in Gorkiy, Ufa, Novosibirsk, Kazan, Omsk, Irkutsk and Archangel... This item has come to be in short supply in cities, and in even shorter supply in rural areas, where, understandably, its need is in no way less.

In the Ministry of Trade of the RSFSR (we are restricting our comments now to Russia only because climatic conditions in a number of regions here have made the felt boot situation especially acute, and three-quarters of the overall total of boots produced are produced here) we were told that at the present time industry is fulfilling trade organization orders for delivery of felt boots for sale to the general population at a rate of less than 40 percent. In addition, these deliveries are declining year by year. In part this situation can be explained by the fact that more and more boots are by-passing the normal trade channels and are shipped with special purpose designation: regions in the North, Siberia and the Far East are being developed, and oil field workers and geologists in Tyumen and construction workers on the Baykal-Amur Mainline can not get by in the winter without felt boots. However, this is not the main factor. Market supplies of felt boots are declining primarily because their production in every year recently has not grown, but decreased, despite increasing demand for them. In 1975 21.4 million pair were produced; in 1983, 17.8 million; and last year (based on preliminary figures), only 17.6 million.

The principal production of boots in Russia (79 percent) is concentrated in enterprises of the industrial association Rosvalprom (RSFSR Felt Boot Industry) of the RSFSR Ministry of Light Industry. And what are the dynamics of felt boot production at these enterprises? In 1975, output was 16.3 million pair, and in 1984, less than 14 million.

But why is this so? V. V. Grafinina, director of Rosvalprom told us, "I think that it would be an eye-opener for you if you familiarize yourself with some of our enterprises."

The Gorkiy Felt Boot Production Association of Rosvalprom is in good standing. It is true that it did not fulfill last year's plan, but it fell short by very little, 18,000 pairs, in a plan that had obligated workers to deliver 1.672 million pairs of felt boots. V. V. Grafinina noted that the association boasts an efficient general director and a strong staff of workers and that the OKS [Department of Capital Construction] and the mechanical shops are well staffed and operating quite well, given the overall conditions in Rosvalprom.

Considering the overall conditions in Rosvalprom...[in bold]. But what if we take a look at the situation objectively? The picture is as follows.

The leading enterprise of the association is the Borskaya Felt Factory, a group of old nondescript buildings, some of which, despite continual patching, will soon be in dangerous condition if they are not already in that condition right now. The Borskaya Felt Boot Factory is located three kilometers away. Its appearance and condition depress the observer even more. This factory has two branch factories, in the villages of Vlasovo and Neklyudovo. There was a third in the village of pershino, but it was closed the spring before last because it had become completely dilapidated. This closing, by the way, deprived the association and with it the consumer of 500,000 pair of boots a year. There exists an order to close the Vlasovo branch factory for the same reason. It is true that association authorities do not want to accept this and they are diligently patching and re-patching whatever they can, hoping by this to gain the favor of the sanitary-disease control station and the organs of technical inspection. The battle, however, has little chance for success. The association clearly lacks the resources for victory. The technical equipment of "the rather well outfitted and well operating capital construction department and shops [in bold]" consists of two truck cranes, a couple of concrete mixers, a worn saw frame and several old machine tools put together primarily from scrap written off at other enterprises. "Of course," the association's general director V. I. Novikov sighed, "we need serious and effective help from the ministry. However, all our requests for help remain unanswered. The ministry apparently has many cares more important than ours..."

The situation is no better at other branches of the Gorky association: the Arzamas and Gorodetskiy felt factories and the Kanashakiy and Koverninskiy felt boot factories. In Arzamas, it is true, a new production building was built in recent years. However, authorities decided to economize on the construction of housing. They built only one residential dwelling instead of the three that were planned. This "economy" turned out as such "economies" usually do: the renovated production capacities are ill at ease because there is an acute shortage of workers [in bold].

This type of picture is characteristic for the majority of Rosvalprom's associations and enterprises. They huddle, as a rule, in makeshift facilities that have outlived their usefulness. They are being closed one by one because they are dilapidated, dangerous and lacking in environmental controls (and this type of production is far from non-polluting. Rosvalprom's production capacity has gone down over the last few years by more than 2 million pairs of boots per year because of these conditions.

Just as we were meeting with V. V. grafina, she received another in a series of warnings from Leningrad that the felt boot factory there (the leading enterprise of the Leningrad association) would have to cease operations if it did not stop dumping untreated waste into the city sewage system by 1 Feb of this year. "I'll have to go to Leningrad right away to intercede for the factory," Grafina said. But how can one intercede? The factory is located in the midst of a housing complex and it does not have a waste treatment installation. In order to build one, part of the complex would have to be torn down, and that would cost no less than the



factory itself is worth. It is a vicious circle. At present two other Rosvalprom factories in Moscow and Novosibirsk are in just such a predicament. [in bold]

In general all this is probably quite normal: veterans who have served their time in a unit move on. It is normal if their places in the unit do not remain empty. However, what is the situation in our case? In 1970 N. N. Tarasov, the then minister of light industry issued an order in the name of the ministry to the effect that during the next five years 16 felt boot factories would be fundamentally remodelled or built, which would thereby increase Rosvalprom's capacity by 9.3 million pairs of boots per year. Yes, the order was issued. Just the memory of it still lights up the eyes of Rosvalprom workers in a special way. It was certainly a good order! The only problem was that there was absolutely no implementation. Even today, of all the positions listed in that fifteen year old order, action took place on only four: moves were made into new factory buildings in Velikiy Ustyug and Petrozavodsk.

However, what kind of moves were they? Rosvalprom workers themselves rated the moves as "going from the day before yesterday to yesterday."

In both Velikiy Ustyug and Petrozavodsk the old factories were in unsafe buildings. After the reconstruction the safety hazards were removed. What was inside the factories has remained essentially the same. The whole felt boot industry is catastrophically antiquated (no other words are suitable) in its mechanical equipment. Equipment which has been in operation from 30 to 70 years makes up the bulk of the equipment (up to 70 percent) in the industry. There is a lot of manual labor as well as heavy physical labor that is performed under very dusty and gassy conditions compounded by high temperatures and humidity levels. All this is transferred to the new facilities, the walls of which, in addition, "squeeze" the production processes moved here just as felt boots that are two or three sizes too small squeeze one's feet.

Z. S. Korotkova, the director of Rosvalprom's capital construction department, explained, "We do not have any scientifically based standards for expenditures on construction and reconstruction of our enterprises. Planners and designers start from the fact that the factory in Orenburg designed to produce 1 million pairs of felt boots per year cost 10.8 million rubles. From that beginning they do all their calculations. Although the costs of construction materials and equipment have risen since then, and local conditions differ from those in Orenburg (in Orenburg the factory was built on a site where there were completed systems and heat in place), these factors are not taken into account. We all know, however, that the miser pays for every thing twice. Although it is absolutely correct to save money, those savings should not be at the expense of a factory put on line prematurely and crippled by the lack of necessities. Now in Velikiy Ustyug, planners designated three million rubles for the reconstruction of the factory fully aware that this sum was insufficient to cover the very basic necessities. Those planners made a decision: let the 'baby' be lame and miserable for now; maybe he will

be able to straighten himself somehow in the future. Our 'baby' is feverish right now. Since one can not get by without the essentials, already, right after the reconstruction, we are planning the construction of a whole series of installations here under the name of 'capital repairs'."

Such is the situation in the felt boot industry. What should be done? In the first place, the Ministry of Light Industry of the USSR must show substantially more interest in the industry; this is necessary right now. This interest must be shown by not only issuing directives, but by ensuring their unconditional implementation. Fundamental reconstruction of operating enterprises and the construction of a sufficient number of new ones are necessary--not informed by a backward glance at yesterday, but by a look into the future. It is also necessary to enlist good design and construction personnel to work on these problems, not to put them aside, and in addition to develop modern equipment, and maybe even new production technology for the manufacture of felt boots. Without doubt, workers here must be provided better working conditions than they have at present.

Of course, felt boot enterprises which belong to the Ministry of Local Industry, the Ministry of Domestic Services for the Public and consumer cooperatives should not be closed. Renovate them, yes. Close them, no!

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## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### DIFFICULTIES IN SALT DISTRIBUTION DESCRIBED

Moscow MATERIAL'NO-TEKHNICHESKOYE SNABZHENIYE in Russian No 12, Dec 84  
pp 17-20

[Article by M. Panchenko, deputy administration chief of the State Committee for Material and Technical Supply: "Consumers and the Raw-Material Base"]

[Text] Common salt is a primary food product and valuable technical raw material. There is not a branch of industry or agriculture in which it is not used. The country produces a lot of salt, but the economy is not adequately supplied with it. Inadequate deliveries of salt hold up the acceleration of oil and rubber production and the development of the heat power industry.

The bulk of common salt production is concentrated at enterprises of the USSR Ministry of the Food Industry. Three-quarters is produced by the "Artemsol" Production Association in Donetsk Oblast and the "Bassol" combine in Astrakhan Oblast. This means that salt has to be shipped from these enterprises to virtually all regions of the country. The annual volume of rail and river haulage runs into the billions of ton-kilometers.

The limited assortment of salt produced at individual enterprises results in backhaul. Salt is shipped from the European part of the USSR to Siberia and the Far East for the chemical, food, fishing, and power industries. At the same time, "Ekstra" salt is shipped from Irkutsk Oblast in the opposite direction for the same industries in Central Asia.

The difficulties in supplies of the product are aggravated by the fact that most salt-producing enterprises of the Ministry of the Food Industry employ inferior technologies. Whereas the per-worker annual output of salt for the industry as a whole averages almost 1,100 tons, it is only 25 tons at the Troitskiy salt works, 42 tons at the Kempendyayskiy works, and 62 tons at the Seregovskiy works. Although the Komi and Yakut ASSRs and Krasnoyarsk Kray have salt enterprises of their own, the economies of these economic regions use mainly imported salt, since local raw materials meet only a fraction of the demand. For that reason annual transportation costs of bringing salt into the Komi ASSR exceed 400,000 rubles, 650,000 rubles for the Yakut ASSR, and are even more for Krasnoyarsk Kray.

The regions of Siberia and the Far East are developing at a faster pace than other regions. Shipments of salt to them are increasing each year. In the

last three years the average haulage distance increased from 850 to 1,000 kilometers, while the cost of transporting one ton rose from 4 rubles 73 kopeks to 5 rubles 41 kopeks. That is because most economic regions are unable to provide themselves with the amounts and assortment of common salt they need.

Besides the Ministry of the Food Industry, enterprises of the Ministry of Mineral Fertilizer Production also produce food brands and limited types of technical salt, providing about 15 percent of the total balance. It should be noted that the USSR Gosplan and the Ministries of the Food Industry and Mineral Fertilizer Production, which are responsible for expanding output of this important product, as well as its major consumers, the Ministries of the Chemical Industry and the Timber, Pulp and Paper, and Wood Processing Industry, do not devote sufficient attention to the development of the salt industry.

In particular, the Ministries of the Chemical Industry and Mineral Fertilizers Production were delinquent in commissioning capacities for the manufacture of refined table salt in the "Uralkaliy" Production Association. The Dzerzhinskoye production association "Kaproaktam," the Kalushskoye production association "Khlorvinil" imeni 60-letiya Velikoy Oktyabr'skoy sotsialisticheskoy revolyutsii and other enterprises have not been transferred to supplies from their own raw material bases. Salt for them is shipped over many hundreds of kilometers, including from Lake Baskunchak.

The difficulties experienced by many branches of the economy are due to the fact that the salt industry as a whole is developing without a clearcut program, and the geography of construction of enterprises consuming the product is inadequately dovetailed to raw material sources. The ministries building new projects with production facilities that use a lot of salt for technological and other needs often fail to take this into consideration.

For example, two years ago the Ministry of the Timber, Pulp and Paper, and Wood Processing Industry commissioned new facilities within the Bratsk forestry and timber complex, which is located in a major salt-bearing area. Despite this, there is still no brine facility there. The deadlines for its construction have been repeatedly set back. Commissioning is now expected no earlier than in 1987. For that reason, over the last two years salt has had to be imported to the timber complex from afar, from Lake Baskunchak. Transportation costs have amounted to 8.5 million rubles. Deliveries will continue in the next two years. As a result, economists estimate, the transportation of salt will cost considerably more than construction of the brine facility.

The unsatisfactory situation that has formed in the development of the salt industry's production base leads to a series of negative consequences. The losses due to shortages of salt supplies are most tangible in the heat power industry, where salt is used to prevent scale formation in boilers and hot-water mains. At a scale thickness of, say, half a millimeter, losses of heat in the boiler are four percent, and they are four times as high at a thickness of 2.7 mm.



Inadequate allocations of salt for the needs of the heat power industry and fluctuating deliveries cause the overexpenditure of many millions of tons of fuel. And not only fuel. According to data of the Ministry of Power and Electrification, for those same reasons, repairs of boiler equipment within the system of the Ministry annually require up to 100,000 tons of special piping.

As a consequence of insufficient production and limited assortment, salt is shipped to the economic regions by several suppliers, often located at considerable distances from the consumers. It is hardly surprising that transportation costs exceed the cost of the shipped product.

Salt is shipped to the Uzbek SSR from eight enterprises in Irkutsk Oblast, the Ukraine, Armenia, Kazakhstan, Azerbaijan, and other republics. The cost of delivery of each ton ranges, depending on the distance, from 1 ruble 18 kopeks to 18 rubles. Even shipments within the European part of the country, where most of the producing enterprises are located, are in some cases more expensive than the cost of the salt.

Less than half the produced rock salt goes towards meeting the requirements of the Ministries of the Food Industry, Meat and Dairy Industry, and Fish Industry and sales to the population, and only about 30 percent if we take into account brine production at a number of enterprises of the chemical industry, where it is used as a raw material. Despite this, salt production has long been assigned to the food industry. This situation evolved during the period when the chemical industry, metallurgy and heat power production were lagging. Lately these industries have expanded considerably. But still salt production—essentially a mining and chemical process associated with large volumes of mineral processing—is carried out with the same tools as, say, the production of potassium and phosphate fertilizers.

An analysis of the state of affairs at salt-producing enterprises and the ways in which capital investments are allocated and utilized in the salt industry reveal that the USSR Ministry of the Food Industry and the Union-Republic ministries are incapable of effectively supplying the whole economy with this important product. Funds allocated for expanding salt production are clearly insufficient. They are inadequate not only for building new enterprises but even for assuring the normal operation of existing ones.

It should be noted in this respect that even with its extremely limited capabilities the Ministry of the Food Industry could to some degree eliminate the salt shortage and reduce needless shipments. However, the planned deadlines for the building of new and reconstruction of old enterprises are being endlessly moved back. Back in 1980, executives of Rossol'prom [RSFSR salt-production administration] pointed out with alarm that all the salt-producing enterprises of the Russian Federation were operating at the limit of their capabilities and were incapable of meeting consumer demand. Special hopes were pinned on the Tyretskiy salt mine, which was to primarily meet the requirements of the developing regions of Siberia and the Far East.

For the last few years salt production in the RSFSR has been virtually stagnating. Completion of the Tyretskiy mine was moved back several times, and

the deadlines were never met. The Ministries of the Food Industry, Industrial Construction, and Transport Construction are not doing enough to accelerate the mine's commissioning date. The builders' words are at variance with their deeds. In 14 years little more than half the capital investments have been realized. This year it was planned to realize only seven percent of the cost estimate, but even this insignificant sum remained unused.

Construction of the project is being delayed because of mistakes made already during the design and document preparation stages. Failure to thoroughly analyze questions during the prospecting stage led to the appearance of "natural surprises": when sinking the main shaft water appeared at a depth of 450 meters, and the builders were unable to cope with it for a whole year. And they were still 150 meters from the projected bench mark.

We could note that, since the initial deadline for completing construction was passed and up to the present time, the costs of shipping salt from the European part to Siberia and the Far East have exceeded the projected cost of the mine more than twofold. Procrastination and irresponsibility on the part of both builders and customers is probably due to the fact that it is the State Committee for Material and Technical Supply that pays for salt shipments rather than the Ministry of the Food Industry or the Ministry of Industrial Construction. Moreover, they don't have to handle the shipments, which is left to the railroad and river transport people.

In the coming year the proportion of technical products in the overall salt balance is to be increased by increasing shipments from the "Uralkaliy," "Sil'vinit," and "Beloruskaliy" production associations. However, current efforts are insufficient to resolve this important problem.

Improvement of economic work means, in the first place, efficient utilization of material, technical and financial resources, thrift in expending them. As for the "salt question," the ministries and departments scramble first and foremost for their own interests, forgetting that funds "saved" on building and reconstructing salt enterprises escalate into ten-fold losses in other branches of the economy. The word "salt" may not sound as impressive as "metal" or "fuel" in the nation's vast product range, but a thrifty look at the situation would show that the problem of its production and consumption has been downgraded quite unjustifiably.

What measures have to be taken to increase the output of common salt? In our opinion, the solution of this important problem lies in the implementation of a large-scale, integrated target program, development of which should involve the planning organizations of the ministries and departments concerned.

Our country possesses vast natural reserves of common salt. There are major deposits in the Komi ASSR, Kaliningrad and Tula Oblasts, Krasnodar Kray, and the Volga country. The western and southern sub-Urals area is especially rich in this product.

A number of deposits in the Central Asian republics represent salt domes which come out on the surface. Quarry production is easily organized there. Salt

from the Khodzha-Ikanskiy, Khodzha-Mumynskiy and other deposits in suitable without enrichment for food and the production of chlorine, caustic soda and other products.

Besides the deposits operated by enterprises of the Ministry of the Food Industry, some deposits are operated by other branches of industry. The Ministry of the Chemical Industry has set up large brine facilities in the Bashkirian ASSR, the Oka Economic Region, and Eastern Siberia. The saturated brine solutions of common salt in those areas provide raw materials for two-thirds of the ministry's plants for the production of chlorine and caustic soda. Plants in the Urals and in Belorussia annually produce, along with potassium fertilizers, millions of tons of common salt, which they then discard in waste dumps. That is why it is necessary to once again draw attention to the importance of the maximal, complete utilization of raw materials.

It is necessary, in the framework of the integrated program, to accelerate the development of new common salt production facilities and reconstruct existing ones in such a way so as to apply the achievements of technical progress in production, primary processing, enrichment, and packaging to the transformation of the salt industry, and to create reserve facilities. It is especially important to build new enterprises based on deposits lying as close as possible to the consumer areas.

An integral component of the integrated program should be the localization of supplies of common salt to consumers within one or several economic regions from one or two enterprises associated with those regions. Last year a draft outline of supplying the nation's economy according to this principle was prepared. It confirmed the high effectiveness of such a solution. Implementation of the outlined measures would make it possible to reduce shipments by 3.5 to 4-fold, with a corresponding reduction in transportation costs.

This is an extremely important question which requires more specific consideration. Under the project, the whole territory of the Soviet Union would be divided into several large areas. Salt to each of them would be supplied by enterprises lying in the closest zone.

The first area would include the western oblasts of the Ukraine and Moldavia. It would be supplied with table and technical salt by the Solotvinskiy salt mine. Initially consumers within and outside the market would be supplied with "Ekstra" grade salt by the Slavyansk vacuum evaporation salt mill; subsequently it would be expedient to build a shop at the Solotvinskiy salt mine.

The second area would include Belorussia, the Baltic republics, the Leningrad Economic Region, and Kaliningrad Oblast. Salt would be supplied to it by the "Beloruskaliy" Production Association, where it is necessary to organize the production of food grades of rock salt. "Ekstra" grade would be supplied by the Mozyr' vacuum evaporation salt mill.

The third area would include oblasts of the Ukraine not belonging to the first area, the Central Chernozem and the North Caucasus economic regions. The main



supplier enterprises would be the "Artemsol" production association and the Slavyansk vacuum evaporation salt mill.

The republics of Transcaucasia would be supplied by the Nakhichevan salt mine and the Avanskiy salt mine and salt-evaporating plant.

One of the most important in respect of volume of production and consumption of salt would be the area including the Moscow, Vologda, Oka, Upper-Volga and other economic regions. They would get rock salt for food and technical purposes from the "Bassol" combine. For the manufacture of "Ekstra" grade salt it would be useful to build plants in Volgograd and Tula oblasts on the basis of deposits currently utilized by enterprises of the Ministry of the Chemical Industry.

The consumers of this area are located in the Volga basin. The existence of salt supplying enterprises there would make it possible to carry most shipments by river transport during the navigation season, coinciding with the salt-production season on Lake Baskunchak.

The consumers of the area including the North-Western and Komi economic regions could be most efficiently served by the Seregovskiy salt mill. It is envisaged that the Bashkir and Southern Urals economic regions and Ural'sk, Aktyubinsk, Gur'yev, and Mangyshlak Oblasts would be supplied by the Sol'-Iletsk Mining Administration. Similar supply arrangements have been suggested to meet the demands of other economic regions.

The aforementioned scheme provides for the construction of shops for the manufacture of food grades of salt where there already exists a developed raw-material base (brine facilities operating at lakes, salt heaps) and the expansion of output, including new products, at operating enterprises. Implementation of the proposed project would require considerable investments of capital, but it would be economically advantageous. Average railroad haulage would be cut by two-thirds and not exceed 300 kilometers. Transport costs would decline accordingly.

Implementation of the scheme of zonal supply of salt within the coming four to six years and the development of reserve production capacities would make it possible not only to alleviate tensions in meeting the demands of the economy but to go over from centralized distribution to wholesale trade within each area.

Problems of the most efficient utilization of salt by all industries should be examined in detail in the framework of the integrated program. It is necessary to more actively convert heat power enterprises in salt-producing regions to supplies from their own brine facilities. The experience of a number of Moscow and Ryazan heat-and-electric power plants has revealed the high economic efficiency of such a move. Thus, construction of a brine well at the TETs-22 heat-and-electric power plant alone has made possible annual savings of almost 70,000 rubles.

Extensive dissemination of this experience is hindered by the absence of equipment capable of operating in the aggressive brine medium. The development and



organization of its production should become a component part of the integrated program in the framework of which it is necessary to more extensively introduce ultrasonic and magnetic methods of water processing.

It is also necessary to resolve questions of salt shipments. We have no specialized facilities—suitably designed railroad cars and river craft—for transporting salt. Unfortunately, to this day no estimates have been made of the damage to railroad and river transport facilities caused by salt "leaking" during shipment, nor of the extra-normative time and money costs of unloading salt from ordinary boxcars and gondolas, especially in winter. However, even a rough estimate of losses indicates that the development of specialized transport facilities is necessary from both the economic and ecological points of view.

In the course of the development and subsequent implementation of the large-scale integrated target program it is necessary to resolve problems of financing and reconstruction of salt enterprises and facilities. Since this is in the best interests of many ministries and departments, it would be expedient to credit a portion of the construction and reconstruction costs to the capital investments and contract appropriations allocated to the consumers.

It is also necessary to consider, within the framework of the integrated program, questions of the organizational structure of management of the salt industry. Distribution of salt for the needs of the economy is, as is known, the concern of the State Committee for Material and Technical Supply. The experience of the central territorial administrations, ministries and departments, and individual consumers has confirmed the correctness of concentrating all the resources of this product in one hand. It would also be useful to transfer salt production to one organization, for example to an all-Union production complex—a department concerned with mining and chemical production—in the system of the Ministry of Mineral Fertilizer Production. This would make it possible to promote a unified technical policy in the industry and eliminate superfluous administrative elements.

The questions of implementing the large-scale integrated target program set forth here do not, of course, cover all problems associated with improving supplies of salt for the economy. Other variants, additions and clarifications could probably be suggested. It would be useful if officials of the State Planning Committee, Ministry of Mineral Fertilizer Production, the transport and construction ministries and, naturally, the State Committee for Material and Technical Supply expressed their views on this issue. At present, however, it is obvious that the measures being taken to expand salt production in the country are inadequate. So far, whatever is being done contributes nothing to improving the state of affairs. Implementation of a large-scale integrated target program is the most feasible way of solving this important problem.

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## HOUSING AND PERSONAL SERVICES

### BUDGET FOR TYPICAL KOLKHOZ FAMILY EXAMINED

Moscow AGITATOR in Russian No 24, Dec 84 pp 17-19

[Article by V. Sergeyev: "The Kolkhoz Family Budget, General Political Issues, For Discussion"]

[Text] Addressing the October (1984) CPSU Central Committee plenum, Comrade K. U. Chernenko pointed out that the real income of our kolkhoz farmers and state farm workers is rising from one year to the next and that produce sales are increasing fast. These facts are evidence of the substantial progress which has been made in accomplishing one of the programmatic tasks of the party—to bring the standard of living of the rural into line with that of the urban population.

How does the typical kolkhoz family live? What kind of income does it have? How does this income break down? What does the kolkhoz family spend its income on? To answer these questions we can look at data the USSR Central Statistical Administration collected in a random survey of the budgets of 62,000 families representing different categories in the population in all parts of the country. Among these 62,000 were some 23,000 collective farm families.

Let's meet one of these families. It lives in the village of Pokrovskoye, Kolyvanskiy Rayon, Novosibirsk Oblast, on Kirov Kolkhoz. This is an average kolkhoz in terms of both production volumes and economic indicators.

The head of the family, Aleksey Nikolayevich Baranov, has been working on the kolkhoz for 35 years now as a driver hauling grain, vegetables, feed and construction material. Galina Afanas'yevna is a veterinary assistant on a farm. They have two children: 12-year-old Tanya is in the 6th grade, while Zhenya, 9, is in the 3d. Ever since 1977 Galina Afanas'yevna has been keeping a monthly record of the family's income and expenses, food product sales, figures on their private plot etc.

These figures show a continuous rise in the family's income. In 1977 this income was 4565 rubles, or 380 rubles per month. This comes to 95 rubles a month for each of the four members of the family. The main source of the family's income has been and remains the wages received from work for the kolkhoz. The husband and wife received 3543 rubles a year, 295 rubles a month, which is roughly 78 per cent of the

family's total income. Over 20 per cent, 953 rubles, came from sales of livestock, poultry and produce from the private plot.

Last year, 1983, had seen the family's income rise one and one-half times to 6875 rubles, or 573 rubles a month. This comes to 143 rubles per family member. For its work on the kolkhoz the family received 4392 rubles, or roughly 64 per cent of its total income. Aleksey Nikolayevich earned (including all bonuses and time off) 2820 rubles, or an average of 235 rubles a month, Galina Afanas'yevna 1572 rubles, or 131 rubles a month.



Structure of kolkhoz family income based on data from random surveys conducted by the USSR Central Statistical Administration (in per cent)

53.2 - income from kolkhoz and wages of family members; 26.3 - income from private plot; 19.2 - payments and benefits from public consumption funds; 1.3 - income from other sources

quality and the coefficient of labor participation. This has made a difference in Galina Afanas'yevna's wages as well. As a veterinary assistant she earns a fixed wage of 92 rubles; but then on occasion she will take the place of one of the calf attendants (when she goes on vacation, for example), and then her wages rise. In June, for example, she was paid 288 rubles, in December 273.

Collective farmers also receive money awards for their annual work performance overall. For his extra monthly wage Aleksey Nikolayevich received 318 rubles, Galina Afanas'yevna 102.

The private plot is an important source of support for the family. Income from the private plot last year was 1032 rubles, or over 15 per cent of total income. On their

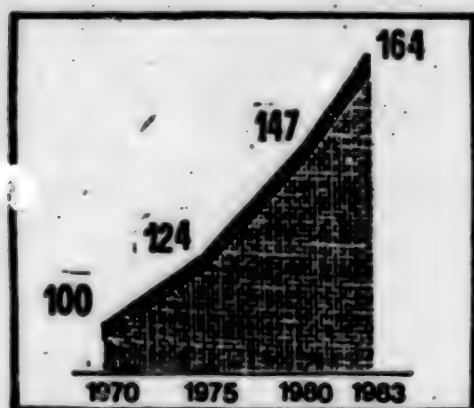
Kolkhoz income as well as the income of each individual farmer is increasing because of improved efficiency in social production. The kolkhoz has become profitable and last year earned some 360,000 rubles' profit. Wages have risen as well: monthly wages for a driver last year were 237 rubles, 185 rubles for a stock breeder.

As do other drivers, Aleksey Nikolayevich receives, in addition to wages paid directly for a particular job, bonuses for fulfillment of social targets during harvest time and on the basis of performance in socialist competition. With his performance during the grain harvest, for example, he won first place in rayon competition. For this performance, A. Baranov received 100 rubles and 7 quintals of grain.

Kolkhoz stock breeders have gone over to the link system based on the principle of the collective contract, with wages paid on the basis of final production, product

plot of some 20 hundredths they grow potatoes, vegetables and berries. The Baranovs also keep a cow, two or three calves, a couple of young pigs and 50 or so chickens and geese. Food raised on the private plot goes for the most part to feed the family. Some is sold to the state and at the kolkhoz market. Potatoes and beets are used for livestock feed.

It should be pointed out here that family expenditures on its private plot are comparatively low. The kolkhoz provides assistance to people who raise livestock and poultry by making pasture and hay available to them and selling them fodder and hay at preferential prices. Taking this into account, expenditures for feed do not exceed 180 rubles, or less than 3 per cent of family income. Last year, over and above that the family spent 67 rubles to buy livestock and poultry and 42 rubles for processing and services (processing of agricultural products, maintenance and repairs on equipment and payments to animal attendants).



Growth in real kolkhoznik income (in per cent per kolkhoznik)

Payments and benefits from public consumption funds also contribute substantially to family income. Those included in the family budget alone accounted for over 12 per cent of total family income in 1983. This figure includes vacation subsidies, medical certification payments, medical services and free education for the children (the state spends over 400 rubles a year on the two school-age children). This is taking account primarily of the expense involved in subsidizing the vacation of the head of the family. Aleksey Nikolayevich used his vacation time to visit the Scandinavian countries in a comfortable boat. Most of the cost of the trip was covered by the kolkhoz, 818

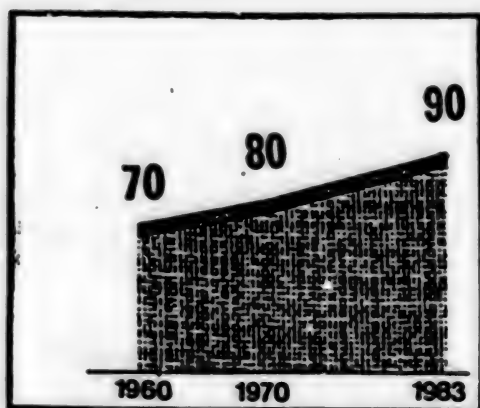
rubles of a total of 1300. On top of that, A. Baranov also received 300 more rubles in material support. So this very expensive trip, including travel from Novosibirsk to Moscow and back, ultimately cost him 500 rubles.

The public support funds cover the costs of vacations and medical treatment for many other kolkhozniks and the children as well. Last year saw over 30 people enjoy sanatorium stays at no cost or at preferential prices. Many children spent their vacations in Pioneer camps (with expenses entirely or 80 per cent covered) or in the kolkhoz work and recreation camp, where some 300 school children spent time over the course of the summer. The kolkhoz provided their material needs and transportation at no cost.

Substantial sums also go to provide housing and municipal services for kolkhoz housing. The Baranov family lives in a house provided by the kolkhoz, having moved here toward the end of 1977 from a small apartment. It now enjoys a spacious residence of more than 60 square meters, with a large kitchen, outbuildings and storage facilities.



On their private plot they have outbuildings for their livestock and poultry as well, a garage for their car and a barn. The family pays less than 65 rubles a year, 5 rubles 40 kopecks a month, for housing, approximately 25 rubles a year for electricity and roughly 18 rubles for its bottled gas. All these expenses taken together still amount to something like 1.5 per cent of the family's total income.



Real kolkhoznik income as compared with the real income of workers and employees (in per cent per family member)

Food expenses are also low — some 600 rubles last year, or roughly 10 per cent of total family income. This is because the Baranovs get a large percentage of what they consume from their own private plot. They go to the stores and the market for the most part to buy bread, grain products, certain fruits and vegetables (they spent 20 rubles over the course of the year for grapes, for example, and almost the same amount for watermelons and cantaloupes), fish and fish products, sugar and candies and pastry.

As compared with 1977 the family is now enjoying greater variety in its diet and it is eating more, more of what it produces itself, more of what it buys and more of

the most nutritious of these foods. Last year, for example, it ate 300 kilograms of meat — beef, veal, pork, poultry and meat by-products etc., which comes to 75 kilograms per member of the family. This is one-fourth more meat than the family was eating in 1977. It has increased its consumption of milk and dairy products by the same amount, this figure now having reached 365 kilograms per family member. The family is also eating substantially more—roughly one-third more—fruit, confectioneries etc. At the same time, on the other hand, it has reduced its consumption of grain products, cabbage and beets.

Expenditures for food prepared outside the home account for approximately 1.5 per cent of the family budget, or 83 rubles a year. In the meantime, during the harvest season when Aleksey Nikolayevich is working in the fields, he will eat two and sometimes three meals a day at the field feeding stations, where he can get hot food. Galina Afanas'yevna herself eats frequently in the dining facility. The fact is that this food costs the kolkhozniks less than what it is really worth, what with the fact that the farm supplies the produce at a discount, allocating some 7,000 rubles a year for this purpose. The Baranov's daughter eats at school, and this runs to something like 5 rubles a month.

One of the main items of expenditure in the family budget is the purchase of industrial products. These purchases came to 2733 rubles last year, or 47 per cent of total expenditures. This figure will vary, of course, depending on family needs. The family plans large purchases ahead of time and then saves up for them. When the Baranov's bought their Moskvich-410 in 1977, for example, they used their savings

for it and cut back on purchases of other industrial products. When they got their house they had to spend a considerable sum to furnish the place. They bought a partition for 830 rubles, two wood beds, a sofa, a chair, kitchen furnishings, carpets, a reversible rug etc.

Other consumer goods purchases involve substantial expenditures as well. The Baranov's now have two television sets, one a color set which they bought three years ago, a combination radio-phonograph, a refrigerator, a washing machine and a vacuum cleaner, and Mr. Baranov has an accordion and a bicycle.

Rural ownership of consumer durables  
(in items per 100 families at year end)

	<u>1970</u>	<u>1983</u>
Watches	309	420
Radios	55	84
Television sets	32	83
Tape recorders	2	19
Cameras	12	17
Refrigerators and freezers	13	71
Washing machines	26	58
Electric sweepers	3	17
Motorcycles and scooters	11	25
Bicycles and mopeds	60	75
Sewing machines	54	70

Both the parents and the children have everything they need in the way of clothing and footwear. But all members of the family are continually updating their wardrobes, and last year this accounted for a substantial proportion of total expenditures. Before he went on his trip abroad, Aleksey Nikolayevich bought two new suits and shirts. All members of the family got new shoes, 11 pairs of leather ones alone, including boots for Galina Afanas'yevna and Tanya. They spent 340 rubles on fur clothes, 230 on knitwear, 270 on cotton and silk clothing, 40 on hosiery, 70 on miscellaneous personal items etc. Mrs. Baranov continues to buy things for the house: she spent 350 rubles on a folding mirror and a chair; she bought some tulle for the curtains and spent almost 100 rubles

on miscellaneous household articles. Mr. Baranov also spent 100 rubles on spare parts for the family car.

The Baranovs also spent 46 rubles on books, newspapers and magazines (in 1977 they spent 33 rubles). They subscribe to two newspapers and four magazines, while books they buy for the most part for the children. Amounts expended for theater and circus ticket purchases are small—they do not get the chance to get into Novosibirsk very frequently, while as a rule, they watch their movies at the kolkhoz club. They spent next to nothing for personal services in 1983 and only 31 rubles the year before. This is to be explained, of course, by the fact that our rural areas are still inadequately developed in this respect.

Taxes, collections, payments and membership dues to social organizations for the year accounted for less than 50 rubles of the family budget. The Baranovs helped out their relatives last year to the tune of 285 rubles, while in 1977 they were unable to do this.

As the family's income has grown, so has the family savings account. Deposits to savings rose to 860 rubles during the year. Approximately 400 rubles, twice as much as in 1977, went for all types of insurance. But this, too, of course, is a form of savings as well.

Like the worker's family budget from the same Novosibirsk Oblast, which we have also discussed in these pages (No 17, 1984), the typical kolkhoznik's family budget is showing convincing evidence of continuous improvement in the Soviet standard of living.

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CONSUMER SECTOR POLICY AND ECONOMICS

BELORUSSIAN TRADE MINISTER INTERVIEWED ON ECONOMIC EXPERIMENT

Minsk SOVETSKAYA BELORUSSIA in Russian 22 Feb 85 p 2

[Interview with BSSR Trade Minister N.A. Makayed, by BELTA Correspondent V. Malishevskiy; date and place unspecified: "Mounting an Offensive Against Shortages"]

[Text] They say that if you had the money, you could buy anything you want today. It's hard to disagree with such an assertion. Year in and year out more and more goods are coming into our stores, the assortment is expanding, and quality is increasing. One can also judge the state of affairs in the market by how well-dressed people are today, and the fact that their apartments are becoming more beautiful. Moreover, these changes are being noted not only in the city, but in the country as well.

And nevertheless, you cannot say today that you can always get what you need, when you need it. Just look at how many people are still coming out of the stores emptyhanded!

During discussion of the draft State Plan for 1985 at a session of the CPSU Central Committee Politburo, it was noted that industry has proved to be unprepared for the change in consumer demand, which is increasingly turning to high-quality goods. Specific criticisms, aimed at our republic's industries, were aired at the 11th Session of the BSSR Supreme Soviet. Specifically, it was stated that certain enterprises were not concerned with renewing the range of goods to be manufactured in 1985.

But what is the republic doing in order to correct the situation in the market, especially for goods for which there is increased demand?

[Question] Nikolay Aleksandrovich, it is well-known that the consumers find it painful that they cannot get the goods they need; the moreso, since there are no objective reasons for the situation. But how do the trade workers react to the shortages?



[Answer] No less painfully. Each of our workers, as a part of his duties, must satisfy consumer demand. And well, who can feel good about it when things are not going too well at work! Furthermore, the trade workers have a material interest in the shortages--it has a direct effect on the turnover of goods. And this affects our plan, the way we earn our money. And I'll say this, that to a great extent it is because of this that our branch has not been able to cope with certain planned indices for a number of years in the current five-year plan.

[Question] And how did the past year come out in this respect?

[Answer] On the whole, in spite of certain unfinished tasks, I'd call it a successful year. Both state and cooperative trade was able to cope with all basic planned indices for the year. Goods worth more than 23 million rubles were sold, above that called for in the plan. In comparison with 1983, growth amounted to nearly 500 million rubles. The results of the All-Union Socialist Competition show that the republic's state trade came out in first place. This was brought about by a number of factors, and principally positive work results in industry. Suffice it to say that by above-plan assignments alone our industry, including agro-industry, supplied additional goods worth 288 million rubles. And all enterprises of BSSR Minlegprom [Ministry of Light Industry], our basic supplier, have fulfilled their main indicator--the plan for supplying goods by contract--whereas in 1983 half of them were in arrears.

I'd like to stress that we've been receiving a great deal of assistance all along from the Central Committee of the Belorussian Communist Party and from the government of the republic. This has had a great deal of influence both on the results of our work and on the positive achievements which came to pass in trade relations with the industrial enterprises.

[Question] Here, one must suppose that the economic experiment, under which the enterprises of BSSR Minlegprom are operating, has also played its role?

[Answer] Absolutely. Effective economic levers have appeared, which have brought the ultimate goals of the manufacturers closer to our own. It has become more profitable for them to produce those goods which the consumer needs at a given time, and to produce them with an eye to quality as well. Mutual trust has become stronger in our relations. Presently nine light industry enterprises in our republic have been exempted from quality control on the part of the wholesalers and retailers. Six collectives are selling their products at trade fairs by volume alone, and are organizing the assortments themselves, by model. An experimental factory in Orsha has taken the following course: if its goods are not purchased, the trade enterprise sends them back.

We are trying to maintain close contact in studying demand, and predicting it. For example, all new articles are initially produced in small lots and go through a kind of "breaking in period" in special "information" stores. Joint sales exhibits, trade fairs and public showings, and consumer surveys have provided a great deal as well. Last year these allowed us to replace an assortment of goods from light industry worth more than 70 million rubles

for which demand has declined. Removed from production and replaced were 41 models of sewn articles, 38 of knitted wear, 41 of shoes, and 34 articles of printed fabrics. More than 80 principally new kinds of articles were supplied.

Business contacts with enterprises which are not taking part in the experiment are not so bad either. As a result, in the current year 63 new production collectives were enlisted to produce consumer goods, owing to which shortages were eliminated for 64 designated products, and production of 50 new cultural-domestic and household articles was begun.

At the same time dozens of enterprises in the republic are still doing a poor job in this important matter; these include the Vitebsk imeni Komintern Machine Tool Building Plant, the Bobruysk imeni Lenin Machine Building Plant, the Minsk Motor Works and the Vitebsk Motor Repair Plant of BSSR Goskomsel'khoshtekhniki [State Committee for Supply of Production Equipment for Agriculture], the Dzerzhinsk Engineering Works, and others.

[Question] And what sort of effect has all this had on the results of the republic trade fairs for stocking up on goods for the current year?

[Answer] In the first place, along with the quantitative growth, I'd like to take note of the quite significant increase in purchases of principally new goods. Out of the 1,811 models of sewn articles presented at trade fairs by enterprises in our republic, 1,110 are new items or articles with increased sales appeal.

In the footwear collection, 120 models are especially fashionable and elegant, 53 are being produced at contract prices, and more than 600 bear the standard of quality. Many interesting articles were purchased from the Brest outer knitted-wear factory, from the "8th of March" factory in Gomel', and from the Baranovich knitted wear factory. In this group, more than 60 per cent of the articles were new.

Among the cultural-domestic, household, and haberdashery goods there are nearly 2,000 new articles.

[Question] And still, these new articles are not very visible on the shelves--especially in the shoe departments.

[Answer] It's a fact, that the principally new articles are not being produced in sufficient quantities. Even now, when under the conditions of the experiment it is in the interest of the enterprises to produce more especially fashionable and high-quality goods, their proportion in the total volume of production is still not very high. The public quickly buys them up and, naturally, this doesn't help things. The public is not aware of those models which fall into the category of new items by virtue of certain changes in their "outward appearance". Here, incidentally, one should blame the personnel in advertising, because they didn't take the trouble to bring the goods to the attention of the public.

Also deserving reproach are the modelers, design engineers and artists who are still not making use of all their capabilities to produce truly original models. Today we, along with the consumers, are not satisfied with the women's coats produced by the imeni Volodarskiy garment-making factory in Mogilev, with the jackets produced by the knitted-wear enterprises, and with the women's skirts produced by the Grodno garment-making factory. The level of artistic beauty is low for certain models of shoes from the "Luch" Association in Minsk, and the "Neman" Association in Grodno. The Grodno Fine Fabrics Combine, the Baranovichi Cotton Association, and the Mogilev Silk Fabrics Association have not introduced sufficient changes to their lines of fabrics. Demand is low for the lamps produced by the Lida Electrical Appliance Plant, for certain kinds of plates and dishes from the "Neman" and imeni Dzerzhinskiy glass factories, from the Minsk and Dobrush porcelain plants; and for the cameras produced by the Belorussian Optical Instrument Association. Therefore we have not purchased certain articles displayed at this year's trade fairs by these suppliers.

[Question] But obviously, because of this there cannot be a sufficient amount of goods for sale which are truly needed.

[Answer] As I've already noted, on the whole purchases are significantly higher than last year, by about 300 million rubles. There won't be any special problems with fabrics and clothing for children of nursery age; for winter coats and light overcoats for adults and children; for stockings and hosiery; and for many kinds of knitted articles. There will be enough TV's, radios, and household chemicals. On the whole, the problems have been solved with household and cultural-domestic goods, with haberdashery items, and with most kinds of furniture. There are still certain problems with articles from cotton fabrics and yarns, especially underwear and shirts for men and children, for childrens and men's dress shoes, for goods for newlyweds, and for certain kinds of intricate domestic appliances. And we will be unable to completely supply women with high-quality winter coats.

Currently, in response to our specific proposal, the government of the republic has made a decision for production of 300 million rubles' worth of goods in short supply. Work is under way on replacing articles for which there is insufficient demand, and ways are being sought to produce the necessary goods at a number of industrial enterprises which are still doing a poor job of entering them into production. We must also take into consideration the fact that we purchase a number of deficit items outside the republic.

We are also disturbed by the fact that there is still a significant amount of goods entering the trade system which are not manufactured in accordance with GOST [All-Union State Standards] and with the standard models. They are not made in the required colors, size, length, or width; and at times the articles have obvious defects.

[Question] Nikolay Aleksandrovich, this is just what I can't understand. The conditions of the experiment provide an incentive to produce better-quality products, and what do we get? Junk. At the central department store in the capital, for example, they quoted me a pretty unpleasant figure--they are forced to return nearly a third of certain lots of shoes.



[Answer] I won't attempt to explain all the reasons for defective goods. But one thing is clear: they appear where the people are not held strictly accountable for carrying out their direct responsibilities. A system of organizational, material and other measures is needed, which would eliminate any loopholes for non-conscientious work. Another thing is clear in this problem as well. There are more complaints about the quality of the products at those enterprises where they make poor use of new equipment and progressive technology, where labor is poorly organized. And if you want to talk about the experiment and what sort of influence it's had on this aspect of the enterprises' work, not everything is organized here either. An enterprise has little to lose for furnishing defective goods. They have found indicators which make it easier to cover non-fulfillment of others, and then some. Last year, for poor-quality goods alone, we levied fines on the suppliers in the amount of 1.4 million rubles; and for not observing the conditions of the contracts--four times that amount. At the present time Mintorg [Ministry of Trade] is working out a complex of measures which will make it easier to employ the economic levers of influence on industry, in order to ensure that sanctions for poor-quality production are inevitable.

[Question] Many shoppers are disturbed by the standard of service in the stores. This has become an especially sore subject under the conditions in which the market is becoming more and more saturated with goods. The shopper gets lost among the abundance of models, colors and so on. And so, when he or she leaves emptyhanded, the products don't always get a fair shake. But if a salesperson were to meet him, no doubt both sides would win.

[Answer] The ability to make sales has always been important to us. But I agree that we still have work to do here. Let's say that certificates of quality have been issued in many stores; that, however, does not mean that the shopper is especially aware of this--although in a number of places, such as in the capital's "Belorus" department store, some positive experience has been gained in this matter. Not all of our people behind the counters are efficient; and sometimes this applies to those who hold the position of section supervisor as well; and as a result, many capabilities, and especially active forms of trade, are not being fully utilized.

I won't recount or relate how we are eliminating the shortcomings--the shoppers can see a lot for themselves. I'll just say that along with the great amount of work which is now being carried out in the branch for improving the supply of goods to the market, these questions have also become a subject of the highest attention. The other day we held a thorough discussion of affairs in the branch at an extraordinary staff meeting at the ministry. We shall try to make the last year of the five-year plan not only a success in terms of fulfilling the plans, but also a decisive year in the cause of more completely supplying the populace with the consumer goods they need.



## CONSUMER SECTOR POLICY AND ECONOMICS

### UKRAINIAN TRADE MINISTER NOTES DEVELOPMENTS IN INDUSTRIAL TECHNOLOGY

Kiev PRAVDA UKRAINY in Russian 16 Feb 85 p 2

[Article by V. Starunskiy, UkSSR minister of trade: "Reequipping Our Industry"]

[Text] Workers in state trade have taken part in the republic's inspection of the application of science and technology to production under the slogan "For the 27th CPSU Congress — the creative energy of the masses, high rates of scientific and technical progress and improvement by all industrial units". Issues of scientific and technical progress in our industry are discussed in the article that appears below.

As noted by member of the Politburo of the CPSU Central Committee and First Secretary of the Ukrainian Communist Party Central Committee, Comrade V. V. Shcherbitskiy, strategic task No. 1 which the party has put in the foreground at the present stage is acceleration of scientific and technical progress and the enhancement of its role in achieving high end results for the national economy.

This is of special importance for trade. Its role in satisfying the daily living requirements of the Soviet people has become increasingly evident. The republic's system of state trade annually sells up to 30 million tons of goods.

To service the customers a seller is required to transport, cut up, weigh and package up to 2 tons of goods per shift. It is appropriate to mention that trade turnover has increased by a factor of 3 in the past 20 years. At the same time, the growth of workers in trade has noticeably declined. A shortage of specialists in the mass professions — salespeople and cashiers — is already being felt in many stores, especially where working conditions are more difficult. This still further complicates the performance of the responsible task of achieving further growth in trade turnover without an increase in personnel.

This is why it has become a distinctive feature of the current five-year plan to put into practice a program for across-the-board improvement in trade — expansion and reequipping of the industry's material and technical base, construction of major enterprises and rebuilding old ones, and

the extensive adoption of present-day machinery, equipment and technology and of progressive forms of trade.

Chernigov Oblast is the leader in across-the-board improvement in the republic's state trade. These programs are now being developed and implemented in every oblast and in certain cities. They facilitated the establishment in 1981 of a design and technology institute in the republic that is destined to become the center for scientific and technical progress in the industry.

The stores being built today are mainly large ones. As a rule they are furnished with modern cash registers and scales, and with trade-technology, refrigeration, materials-handling and other equipment.

Let us take as an example Kiev Supermarket No. 6, "The Olympic". There are up to 400 items of trade-technology equipment here.

On the second floor there is a department for the sale of housewares with a single checkout counter. The store has its own packaging department, workshops, laboratories, storerooms, and walk-in refrigerators, and it has become in large measure a trade and commercial enterprise. At the initiative of its director N. K. Tokar', a communist, the supermarket is now making preparations to install a computer for automated control and accounting of stock movement. This will be a major step forward in the application of scientific and technical progress to the conduct of trade. At the beginning of the five-year plan the republic could count a total of only 43 supermarkets and stores equivalent to them. There are now 213, and by the end of the year 44 more will be opened.

There has been further development of specialization in the commercial network.

A very important component of the across-the-board improvement in trade is the containerized delivery of goods. In combination with various means of mechanization, this has reduced unnecessary transshipping of freight to a minimum, improved the utilization of automotive transport and commercial areas, and speeded up the turnover of goods and their delivery to the point of sale. As a result, labor productivity in trade and commerce and in transportation has increased by a factor of 3 or 4, and the service environment has improved.

In four years 2,800 stores have converted to containerizing. There are 380,000 containers in use. This has made it possible to conditionally release nearly 10,000 employees. Industrial enterprises and suppliers of goods are entering with increasing enthusiasm into business relations with commerce.

Containerized delivery has expanded for bread and rolls, canned goods, beer, mineral water, wheat and groats. Glavplodovinprom /expansion not given/ has developed a universal container and packer for all types of

bottles and jars. The Ministry of Automotive Transport has refurbished a number of trucks for the delivery of goods in containers. Not long ago a bakery was built in Lutsk, the entire output of which is shipped out only in containers.

And there are many such examples. But we should note in particular the experience of Voroshilovgrad Oblast, where commerce, industry and transportation have been working in close contact and jointly solving problems of improving service to the public. The Voroshilovgrad experience is now being adopted in all of the republic's oblasts.

But we have encountered certain difficulties. One of them is that far from all stores are yet ready to receive goods in containers, and many of them require extensive reconstruction.

Limited deliveries of goods packaged by industry are also holding back the adoption of the new technology. The proportion of them is still at a very low level — up to 40 percent, and much less in many localities. Trade is therefore forced to set up its own packaging shops, although the costs of this packaging are four times greater in comparison to industrial packaging. In our opinion, the need has arisen to make the industrial packaging of goods an indicator in the national economic plan. It would also be advisable for the agencies of USSR Gosplan and of UkSSR Gosplan to review the packaging requirements of enterprises of the food industry and trade, and to include production of them in the next five-year plan. One cannot yet say that the equipment and machinery being delivered to trade is always of high quality and reliability.

Alongside the reequipping of stores, the UkSSR Ministry of Trade, jointly with other ministries and departments, is carrying out a program to industrialize public eating facilities. This will make it possible to achieve the efficient utilization of food, labor and material resources, and to centralize the production of goods for public eating facilities by extensive use of the latest technology and highly productive equipment.

In the first four years of the five-year plan the republic has set up 95 municipal industrial culinary complexes, built and put into operation in Khmel'nitskiy and Chernigov combines for semi-finished goods of 10 tons per shift, and equipped about 400 shops and sections. By the end of the 11th Five-Year Plan the industrialization of public eating facilities will have been accomplished in 165 of the republic's cities. This work is proceeding better than elsewhere in Dnepropetrovsk, Lvov, Ivano-Frankovsk and Poltava oblasts.

Not only the stores and public eating facilities of our industry are being reequipped, but also the so-called commercial rear areas — wholesale bases and warehouses.

Given the exceptional importance of the adoption of systems and facilities of mechanization and automation, the UkSSR Ministry of Trade has designated steps for 1985 and for the 12th Five-Year Plan to further improve the reequipping of the industry. There will be many difficulties in achieving this, but we will apply all our efforts to accomplish this task.

## CONSUMER SECTOR POLICY AND ECONOMICS

### RSFSR TRADE OFFICIAL ON KOLKHOZ MARKET DEVELOPMENTS

Moscow SOVETSKAYA TORGOVLYA in Russian No 1, Jan 85 pp 16-17

[Interview with RSFSR deputy minister of trade N. Konovalov by correspondent V. Mezentsev: "Fulfilling the Food Program"; date and place not specified]

[Text] The RSFSR Council of Ministers has adopted the decree "On Measures To Further Develop and Improve Kolkhoz Trade in the RSFSR." Our correspondent V. Mezentsev asked N. Konovalov, the RSFSR deputy minister of trade, to comment on it.

[Answer] Probably everyone knows what a kolkhoz market is, Nikolay Petrovich started our conversation. Many people also know that an important role is played by market trade in solving the tasks set by the country's Food Program. It is precisely this program that has provided impetus for further development of the network of kolkhoz markets. Today's market is a complicated trade enterprise with refrigeration facilities, warehouses, transportation facilities, and a high degree of mechanization in loading and unloading operations. And today we can already name many places where attention and concern is shown for kolkhoz trade. During the 11th Five-Year Plan alone, within the RSFSR the sale of agricultural produce has increased 6 percent and 82 covered markets have been built.

[Question] Nikolay Petrovich, it is common knowledge that even in a modern market the old problems may still persist.

[Answer] You are right. Many of the autonomous republic's councils of ministers and krayispolkoms and oblispolkoms underestimate the value of kolkhoz trade in improving supplies of vegetables, fruit, potatoes, meat and dairy and other products for the populations of the cities and industrial centers.

There are still no covered markets in the 16 autonomous republics and oblasts of the RSFSR. Construction has not even been started on seven kolkhoz trade projects planned way back in 1978.

Most markets do not have hotels, kolkhoz homes, public catering enterprises or everyday services enterprises. Many markets are not well constructed with all amenities. Vendors are not supplied with weighing scales, sanitary clothing, or equipment. At the same time the limits of state capital investments allocated



for the construction of kolkhoz markets and the provision of amenities are often not reached. Funding available from one-time taxes and so forth are not being fully used for this purpose. Accordingly, the RSFSR Council of Ministers decree envisages specific measures to eliminate shortcomings in the organization of kolkhoz trade and every possible expansion of the network of markets and the consolidation of their material-technical base.

[Question] So, what will the markets of the future be like?

[Answer] Why "will"? They already exist today! Muscovites, for example, are rightly proud of their Cheremushkin market. It is a modern enterprise, convenient for customers and for those selling their produce. A new modern market has also been built near the Rizhskiy train station in the capital. There are also many fine covered markets in other cities of Russia.

It should be noted that the market occupies a very important place in the marketing of products that spoil quickly. For example, more than 200,000 tons of meat products are sold at the markets each year. And this is a big help in the struggle to implement the Food Program.

The RSFSR Council of Ministers has confirmed the target for the construction of new markets during the period 1985-1990. In the next five-year plan markets will be reconstructed in Bryansk, Orel, Astrakhan, Rostov-on-Don and Ordzhonikidze. New covered markets will appear in Petrozavodsk, Syktyvkar, Pskov, Kaluga, Kostroma, Vyazma and many other cities. During the next five-year plan it is planned to construct and reconstruct more than 60 markets. But I think that this figure will be considerably exceeded.

New projects are now being developed. These are standard structures suitable not only for large centers but also for small populated points. In addition, they are much more economical than the regular "large" markets whose cost tops R1 million. The new markets come out at R600,000 to R800,000 cheaper. You will agree that the difference is very substantial. One of these markets has already been built in Ramenskoye city, Moscow Oblast. I hope that trade and the consumer cooperatives and the kolkhozes themselves will engage in trade with satisfaction beneath the roofs of these convenient pavilions.

[Question] And do you not foresee a paradoxical situation in which the at first glance unattractive old market behind the plank fence will win over purchasers more successfully than the ferroconcrete of new architecture?

[Answer] You mean the force of tradition and habit?

[Question] Exactly.

[Answer] Yes, this is happening. And so we are trying to create the new markets on the basis of the old ones rather than somewhere away from the purchasers' usual routes. So the Ramenskoye market has been built on the site of an old market. And as a result the flow of visitors there has not decreased but increased.

[Question] When talking about the operation of the markets we must also deal with another serious problem. Let us call it the "Man at the market" problem,

or, more accurately, the "Man behind the counter." It is of both a professional and a moral and social nature. And so, what is he, this vendor at the kolkhoz market: a second-hand dealer, the owner of a garden plot, or a sovkhos worker?

I know a retired colonel who is a passionate gardener. He does not depend on his crop harvests so he sells it... He once jokingly confided that he does not know what to do with the fruits of his labor. "Should I take them to the market? But this is not my style... Then friends see them by chance, and so a old soldier sits behind a counter..."

This gardener is no exception. What is the solution? Does he really have to bow to the second-hand dealers and speculators?

[Answer] A solution has been found. We plan to set up at each market a trade services bureau; they are already operating in some cities. They accept goods on commission and sell it. In addition, whereas previously the seller of the produce got his money only after the produce had been sold, from now on payment will be made in advance. The price is set by mutual agreement and is paid immediately, with the minimum held back as commission.

[Question] Why has it not been possible up to now to expand the network of such bureaus? What is hampering things?

[Answer] The fact is that for a long time we had a shortage of full-time vendors. Because of this, at some markets the administration even had to resort to certain violations: instead of vendors, the inspectors manned the counters. But this immediately began to "impair" the other aspect of operations. And so we could not expand the network of trade services bureaus. Now, since the decree has been in force, the organization of our bureaus has started to be more independent. We hope that they will soon appear at all the markets.

[Question] What other kinds of services are available at the kolkhoz markets?

[Answer] Those selling agricultural produce are offered refrigeration and storage facilities, sanitary clothing, griddles for berries and trolleys and scales. Incidentally, up to now providing the markets with weighing equipment has been a serious problem. The plants producing regular grocery scales were not meeting their targets. Accordingly, the RSFSR Council of Ministers made it incumbent on the republic Ministry of Local Industry to make provision for the production of 300,000 table-top grocery scales for the kolkhoz markets. At the same time the RSFSR Central Statistical Administration is taking inventory of the material-technical base at all 2,300 markets in the RSFSR.

Other additional measures to improve the operation of the markets include the organization of trade in industrial goods with a range of the products needed to satisfy the everyday requirements of rural inhabitants.

On holidays and in preholiday seasons fairs will be held at markets with the participation of state trade enterprises, the consumer cooperatives and the kolkhoz farmers themselves.

The effect of the new decree is spreading to many republic ministries and administrations. The RSFSR government has required that the Ministry of Agriculture take steps to improve the work of the veterinary and sanitation inspection services in monitoring the sale of meat and dairy and other products at the kolkhoz markets, and to increase control over the sanitation standards of the markets and also trade, public catering and public health facilities located at the markets.

[Question] Now another matter. Before goods are sold they must be brought to market, and this is sometimes more complicated than growing the harvest...

[Answer] Unfortunately this is a problem that we cannot resolve without cooperation from the Ministry of Motor Transport and the ispolkoms of the local soviets of working people's deputies. For in essence the markets do not have their own transportation facilities. All requests made for transportation are sent to the transportation agency. And, of course, there are frequent interruptions in this work.

The vehicles of the transportation agencies sometimes operate several days behind... But the market are dealing with goods that spoil quickly. It is high time to think about providing special transportation, primarily refrigerated vehicles.

The kolkhozes and sovkhoses themselves, however, should also participate more actively in organizing deliveries. Provision has been made for this in the decree that has been adopted.

Today only top-quality produce is arriving at the markets. And this quality should not be allowed to deteriorate because of lack of organization by the transportation enterprises and the poor management of local managers.

[Question] In the RSFSR Council of Ministers decree it talks in particular of the need to reveal surpluses of agricultural produce available from the public. What can you say about this?

[Answer] As for any enterprise, the plan for the market can be "lowered." But whereas a store or cafe is provided with adequate goods, that is, a certain amount of goods are available for sale, the market must organize everything itself.

The market administrations send their representatives out into the regions and send out invitations and use all kinds of advertising.

The public inspectors present at almost all farms first report what size harvests are expected and where. Contracts are concluded with the kolkhozes and sovkhoses in good time. And then the market itself plans for the produce to be brought in.

This year the contracts provide for expansion of the range of agricultural produce. In Saratov Oblast alone, for example, more than 2,000 of these contracts have now been signed. Similar documents have also been signed with private individuals--gardeners and market gardeners--who are potential suppliers.

As we fulfill the RSFSR Council of Ministers decree we are doing everything possible not only to provide the markets with an abundance of various products but also to provide the services essential both to the vendors and the buyers. The development and improvement of kolkhoz trade in the RSFSR will be our contribution to the national task of implementing the Food Program.

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## CONSUMER SECTOR POLICY AND ECONOMICS

### KAZAKHSTAN DEPUTY FOR DOMESTIC SERVICES ON SECTOR GROWTH

Alma-Ata NARODNOYE KHOZYAYSTVO KAZAKHSTANA in Russian No 12, Dec 84 pp 53-55

[Article by K. Tolymbekov, Kazakh SSR deputy minister of consumer services:  
"Consumer Services at a Modern Level"]

[Text] Concern for the individual and his needs and requirements is a law of life for us. It is seen in the complex of measures on the development of consumer services implemented in accordance with the decisions of the 26th CPSU Congress and subsequent CPSU Central Committee plenums.

Kazakhstan's consumer services now include more than 190 major specialized enterprises, more than 11,000 consumer services combines, domestic services facilities, ateliers and workshops, and about 7,000 reception points, including 2,310 comprehensive reception points.

The organization of consumer services is being improved and the material-technical base for the sector is being consolidated. Thus, during the first three-and-half years of the 11th Five-Year Plan R65.9 million of capital investments were allocated for its development. An increase of consumer production capacities rated at R47 million has been achieved through the construction of new projects and the retooling, reconstruction and expansion of existing enterprises. More than 130 projects have been commissioned.

Each year workers in the sector set up about 9,000 units of new equipment and instruments in production. Each quarter they introduce dozens of new services and forms of service. Within the republic all kinds of services now offered to the public total 849 different kinds, including 527 in rural localities.

Over the past year-and-a-half the ispolkoms of the local soviets, the industrial enterprises and the sovkhoses and kolkhoses have offered more than 100,000 square meters of production areas, and this has made it possible to additionally organize 867 consumer services enterprises.

The professional skills of consumer services workers are growing. In 1983 some 8,812 skilled workers entered production, including 2,199 who had leave of absence from production to go to training establishments.

Constant attention is paid to the organization of sector socialist competition. Some 97 percent of all workers are included in it. The results of labor rivalry are summed up quarterly and winners are awarded prize places and bonuses.

Since the start of the 11th Five-Year Plan the best results have been achieved by the collectives at the Kazbytradiotekhnika Production Association and the Dzhambul Oblast Consumer Administration, which have eight times gained winning places. Winners also include the Chimkent and Taldy-Kurgan radio and television repair enterprises.

The brigade form of labor organization and incentive that has been introduced has helped in improving production efficiency. It now covers 49,900 people, or 53 percent of all workers; and this is above the target. This progressive form is giving the best return at enterprises of the Dzhambul, Mangyshlak, Tselinograd, East Kazakhstan and Karaganda oblast consumer administrations.

This year 300 brigades have transferred to wage payments with the coefficient of labor participation. Production has increased 6.3 percent while wages have risen 1.2 percent.

Each year the sales volume is increasing. Compared with the corresponding period last year, in the first half of 1984 alone it grew 9 percent. Since the start of the 11th Five-Year Plan the accumulation plan for the ministry as a whole has been fulfilled 105.5 percent and above-plan profits of R6 million have been made.

During the first half of the year alone prime costs fell R690,000 against the plan. As a result the profitability level rose 0.3 percent to 10.6 percent. The highest profitability has been achieved by the enterprises of the East Kazakhstan, Dzhambul and Karaganda oblast administrations, the Alma-Ata city administration, and the Kazbytradiotekhnika Republic Production Association.

One important direction in the development of the sector is the organization of comprehensive reception points (KPP) at enterprises, on farms and in workers hostels. In this regard great importance attaches to the decisions of the party oblast committees and the oblispolkoms, which have defined the specific tasks in developing the consumer services network using funding from farms, plants and factories. In implementing these decisions our specialists have opened an additional 620 comprehensive reception points, including 263 at industrial enterprises. Analysis shows that at places where these points are operating losses of work time have been reduced by more than 3 percent, and workers' free time is increased.

Much in this direction is being done at the Yermakov Ferroalloys Plants in Pavlodar Oblast. A domestic facility with 97 work places has been constructed there using enterprise funding. In the first half of this year alone it provided services worth R61,000. There is a comprehensive reception point at the plant where orders are taken for the sewing and repair of sewn and knitted articles, the repair of footwear, and dry cleaning; there is also a hairdresser.

Much work is being done in the rural localities to organize comprehensive reception points. Most of the farms in Kustanay, Semipalatinsk, Tselinograd and other oblasts have fully-equipped comprehensive reception points at the central farmsteads and these largely satisfy the demand for consumer services. But there are still no permanent consumer services facilities at 27 of the sovkhoz and kolkhoz central farmsteads. Almost half of the comprehensive reception points

have been located in cramped premises that are poorly suited to the organization of a complex of consumer services. And it is not happenstance that the necessary return is not forthcoming from many of them. Taken as an average for all of Kazakhstan for each comprehensive reception point services worth only R7,000 annually are made against a normativ of R18,000.

The Ministry is trying to set up a well-organized, working system to provide comprehensive services for rural workers. To this end, in each oblast a scheme is being drawn up for the rational location of rural domestic facilities and comprehensive reception points, and in the rayons schedules are being prepared for permanent and mobile services facilities and home services for inhabitants. As before, the main element in the services sphere in rural localities is the rayon consumer services combine. But its functions have been considerably extended. It is not only services at workshops and ateliers that are being provided. Thanks to the organization of cooperation links with the specialized urban enterprises, most orders for people in rural localities are being filled through the rural comprehensive reception points.

About 2,000 mobile workshops operating according to schedules confirmed by the local soviets of working people's deputies take part each year in providing services for the inhabitants of sparsely populated points and remote farming areas. Last year alone these collectives accepted 11.8 million orders worth a total of R58.2 million.

One important direction in the work of the ministry is to improve the composition of the enterprises. The opening of high-class ateliers and salons is making it possible to increase the output of particularly elegant, well-designed articles, and improve the quality of work on clothing, footwear and knitted articles and the services of hairdressers and photographic studios. These subdivisions are being equipped with special finishing machines and modern apparatus. In 1983-1984, within the republic 74 consumer services enterprises opened up special departments. Since the start of the five-year plan a comprehensive quality control system for consumer services (KSUKP BO) has been introduced in the sector.

About 100 enterprises have already switched to this system. The saving from its introduction has topped R2 million.

This year work has been started on normativ-technical materials for a comprehensive system to improve production efficiency and work quality (KS PEP i KR). Local standards are being introduced for the switch to a higher stage in the organization of production, new equipment and advanced technology is being commissioned, and the volumes of manual labor are being reduced.

It must, however, be acknowledged that we still have many instances of poor quality articles being produced and unskillful services rendered. The state trade inspection service has conducted a check on output quality at 75 enterprises in the system. Some 24.8 percent of the orders checked failed to meet the requirements in terms of standards and technical conditions. Measures to prevent spoilage are now being implemented at the local level.



Other serious shortcomings also exist in the organization of consumer services. At the Kazakh Communist Party Central Committee 14th Plenum the sector was subjected to justified criticism for its failure to fulfill the plan for the first half of the year. The consumer services marketing plan for the first three-and-half years of the 11th Five-Year Plan was also underfulfilled, and as a result the republic's population was offered R4.3 million of consumer services less than the plan target, including R2.8 million in rural localities. In 1983 the number of enterprises failing to fulfill the plan was unjustifiably high at 20.6 percent. More than half of the lagging enterprises were located in Taldy-Kurgan Oblast. In Dzhezkazgan and Semipalatinsk oblasts the figure was above 40 percent.

The question of raising the level of consumer services in rural localities is paramount for Kazakhstan. In Karaganda, Dzhambul, Semipalatinsk, North Kazakhstan and Pavlodar oblasts it has been possible to raise this level even higher than in the cities. But for the republic as a whole the indicator for per capita sold services for rural inhabitants is still inadequate at only R19.52. In Dzhezkazgan Oblast this figure is only R10.71, in Gur'yev Oblast R11.30, in Chimkent Oblast R12.81 and in Turgay Oblast R13.51. Compared with urban dwellers, rural workers are using 3.6 times fewer hairdressing services and almost 5 times fewer repair services for domestic appliances and radio and television equipment. This state of affairs has been examined at a meeting of the ministry collegium. The measures drawn up are now being implemented at the local level.

Many untapped reserves exist in the organization of repairs for complex domestic appliances. One such reserve is to replace units or individual assemblies with items repaired beforehand. Subscription service agreements, "same-day" home repairs, and a fault-free system for filling orders are being inadequately introduced.

It was pointed out at a meeting of the republic party and economic activists that took place a year ago that the sector is only poorly engaged in residential repairs ordered by consumers. Thanks to the organization of eight repair-and-construction administrations and 62 cost-accounting sections, this year we completed the creation in each oblast of a system of specialized enterprises for housing repairs and construction, neighborhood garages, hard-standing for personal transportation, and well-organized collective garden plots with all amenities. More than 160 units of various kinds of equipment, machines and mechanisms have already been allocated to equip them. Special brigades for the main kinds of operation--sanitation engineering, stonework, electrical fittings--are being set up in the repair-and-construction administrations. The "Novosel" service is being set up to handle small repairs.

During the first half of 1984 the volume of sold consumer services for repairs and construction of housing rose 22.7 percent. However, overall the plan for the sale of this kind of work was not fulfilled, particularly by facilities in Alma-Ata, Dzhambul and Taldy-Kurgan oblasts. Many of the construction and repair enterprises have had to refuse consumers in carrying out some kinds of house repair work because of insufficient funding available for high-quality finishing materials.



The renting of cultural and everyday and domestic appliances should be further developed in the republic. Many oblasts, however, are failing to meet targets for this kind of service. And this despite the fact that no special capital costs or use of labor are required to set up the new points and adequate funding is available to acquire items for rental. This year yet another republic association has been set up, Kazrembyttekhnika, which includes special enterprises for the repair of complicated domestic appliances and machines.

The republic advertising combine is in the stage of organization. The councils of enterprise directors for sector groups of services are actively engaged in questions of organizing consumer services. This year, for the first time branch councils for the directors of rayon consumer combines have been set up. Their meetings, with an agenda covering comprehensive consumer services, have taken place in the southern and eastern oblasts of the republic.

Questions of the rational utilization of manpower and raw materials and materials, and of improving the quality of goods and services are examined regularly at meetings of the ministry collegium. Accountability reports are presented at these meetings by the managers of the North Kazakhstan, Semipalatinsk, Gur'yev, Taldy-Kurgan and a number of other oblast administrations on the fulfillment of measures to overcome lagging. In any oblast where the consumer services are failing to cope with the plan teams of specialists from the ministry central apparatus go out to give practical assistance.

Accounting reports are presented each 10-day period for the purpose of current monitoring of the activities of enterprises in providing various kinds of services.

The ministry pays attention to every single instance of misrepresentation in state accountability. Thus, write-ups were found in the Taldy-Kurgan Kazremstroy-byt Repair-and-Construction Trust, the East Kazakhstan Oblast Consumer Services Administration and at a number of consumer services enterprises in Aktyubinsk, Gur'yev, Dzhambul and Ural oblasts. The guilty parties were fired and the most serious offenders were prosecuted.

We have serious problems whose resolution depends on subcontractors. Our requests for spare parts made to the USSR Gosnab Main Administration for Insuring the Supply of Complete Sets of Equipment, Instruments, Cables and other Articles for High Priority Construction Projects in the Coal, Petroleum and other Industrial Sectors (Soyuzglavkomplekt) and the Ministry of Electronics Industry are being satisfied badly, with poor-quality spares being dispatched. Thus, in the subdivisions of the Kazbytradiotekhnika Republic Production Association, during the first half of this year of 9,448 picture tubes for 61 LKID [expansion unknown--ed] received from stock, only 7,481 could be used. All this leads to violations of the time periods set for repairs.

For a number of years the construction organizations of the Kazakh SSR Ministry of Construction of Heavy Industry Enterprises and the Ministry of Rural Construction, and the USSR Ministry of Power and Electrification have been failing to meet plans for subcontract work on consumer services projects.

In 1983 the Ministry of Construction of Heavy Industry Enterprises alone failed to assimilate R1 million of capital investments, and in the first half of 1984

the figure doubled. Schedules for the commissioning of many production capacities are being slowed because of failure to meet contractual obligations by sub-contractors. The unsatisfactory deliveries of material resources to construction sites has resulted in lagging in the construction of consumer services projects using the direct labor method.

At the Kaztekstil'torg bases they are refusing our right to have first choice of fabrics. We have to take what is "left over" after the trade enterprises. And the result is that above-normativ commodity stocks are building up, of which the lion's share is fabric. As at 1 July 1984 throughout the sector they amounted to R22.5 million, almost double the figure at the beginning of 1983.

We also have complaints about Kazsel'khoztekhnika: consumer services enterprises are being poorly supplied with spares for the repair of vehicles. Today, because of shortages in rural localities more than 1,000 of the 5,700 consumer vehicle workshops are standing idle. The harm is serious!

The new demands being made on the sector by the comprehensive program to develop the production of consumer goods and the services system obliges us to raise the level of organizational work and to become involved on a greater scale in the retooling of enterprises, and in deepening their specialization. And we are doing everything possible to implement party and government decisions.

Workers in the service industry are doing their duty and becoming fine helpers for each family of the workers in the republic's cities and in the countryside.

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## CONSUMER SECTOR POLICY AND ECONOMICS

### AZSSR OFFICIAL ADVOCATES QUALITY CONTROL FOR ENTERPRISES

Moscow SOTSIALISTICHESKAYA INDUSTRIYA in Russian 13 Feb 85 p 2

[Article by V. Kasumov chief, Azerbaijan republic administration of Gosstandart, Baku: "Facets of Quality Control"]

[Text] A multitude of factors come to bear on improving quality control. I shall dwell on one of them--state surveillance over the introduction and observance of standards and technical conditions. This form has a special position in the overall system of control, primarily because it is of an interdepartmental nature and permits objective determination of the quality of articles. Secondly, we can influence production conditions, not when the products have already left the gates of the plant, but while they are still in the manufacturing process.

In recent years the results of our inspections have improved, and their nature and content has changed. In place of investigations of individual enterprises, there are now comprehensive controls which permit controlling quality across the entire life cycle of a product, from raw material to operation by the consumer.

What can one say; the reaction to our comprehensive checks on the part of the supervisors of the enterprises is not always benevolent, although in the final analysis we are nevertheless trying to eliminate the shortcomings through joint efforts. Many people can remember a time not so long ago when the products of the "Bakelektropribor" Association--the "Baky", "Kaspiy" and "Apsheron" refrigerators--were the talk of the town. But a new viewpoint on solving the problem has won. The association's managers and engineering-technical workers took a sensible, businesslike attitude toward the notices and recommendations of the specialists from Gosstandart [State Committee for Standards]. They decisively strengthened labor discipline and carried out a great deal of educational work in the collective, and here is the long-awaited success: a new refrigerator, the "Chinar" has earned a good reputation not only in our country but abroad as well.

Unfortunately, positive changes do not always take place in time. An example of this is the situation which came about at the Kirovabad Instrument Making Plant.

This enterprise has been producing impeller and turbine hot and cold water meters for many years. The extent to which these instruments are needed today can be judged by the complex scientific-research program worked out by

the several ministries, which proposes assimilating and manufacturing ten new kinds of water meters at the Kirovabad plant. But the enterprise turned out not to be ready for such a program: the plan for technical reequipment of the plant was not fulfilled, and this is the main thing. Hence many technological operations were not worked out and there was a shortage of advanced tooling and materials. These questions urgently require solution at the union ministerial and departmental level, but they are not being solved, even though the "sore spots" at the plant and the quality of its products have been sufficiently uncovered by the specialists of our administration.

But a number of plants of the "Soyuzneftemash" All Union Production Association have found themselves in an especially tough situation. This association is the country's leading supplier of equipment for the petroleum industry. Apart from the industrial enterprises, it includes two scientific research institutes and a planning and design bureau. In spite of this, the low quality of its products has become chronic.

Last Spring the problem of the quality of equipment for the petroleum industry was discussed in detail at a business meeting of the Tyumen' and Azerbaijan petroleum industry representatives with those of Baku machine builders, organized by the Central Committee of the Azerbaijan Communist Party and SOTSIALISTICHESKAYA INDUSTRIYA. Sincere assurances were given to the complaints of the petroleum officials on the part of the managers of both Minkhimmash [Ministry of Chemical and Petroleum Machine Building] and the "Soyuzneftemash" All Union Production Association. But the matter has not made any noticeable progress. Violation of technological processes, lack of testing of products, poor work by technical and inspection services at the enterprises, dragging out the periods for introducing advanced technology--are not even a complete "bouquet" of the reasons for which we not only heavily fined several plants of "Soyuzneftemash", but also forbade the sale of certain lots of equipment, and introduced a special regimen for formal acceptance of the finished products.

Such severe measures have forced the administrators of the association to seriously study questions of quality. In short order traveling brigades were organized for eliminating equipment defects on the spot, and they began to gather information on the state of quality and operating characteristics in a more organized manner. At the "AzINmash" [Azerbaijan Scientific Research Institute of Petroleum Machinery] a department was set up for inventor's supervision over assimilation and production of petroleum industry equipment. And the responsibility of the administrators of the enterprises and organizations was increased, for the technical level and quality of the products, and for timely investigation and satisfaction of complaints from the consumers.

And nevertheless one of the problems was not completely or even acceptably solved. I have in mind the level of work of the technical inspection subunits. And this is a misfortune not only for the machine builders. Eight of every ten services of the OTK [technical inspection department] are not carrying out the requirements of the standard regulation for technical inspection. They are not inspecting the finished products; they are not



taking part in design coordination and engineering documentation for new production; and they are not conducting analysis of the operational characteristics and operating properties of the new products. Entrance inspection of assembled parts, semi-finished products and raw materials is very poorly organized.

I believe that the shortcomings in the work of the plant OTK is the primary reason for the fact that officials at the republic Gosstandart administration at a number of enterprises were forced to reject up to half, and in some cases, all of the finished production which had been accepted by the technical inspection departments. That's what happened, for example, at the Baku Textile Combine, at the Sumgait Knitted Wear Factory, and at the Neftechala Cotton Cleaning Plant. At the same time there are examples of significant improvements in places where the OTK is firmly and persistently carrying out its functions.

And here is what was noted: the greatest positive results in the organization of production quality control at the plants were achieved at those enterprises which are taking part in the economic experiment--for example, at the "Azerelektrosvet" and "Azerelektroterm" associations. Would it truly not be worthwhile to take advantage of this opportunity and to search for ways to reorganize the work of the OTK at the enterprises in accordance with present-day demands, with the experience we and other socialist countries have accumulated? It's possible to start with measures to stimulate the work and increase the responsibility of the officials of the inspection services. Presently their pay is not only lower than that of other plant services, but it also depends on overall fulfillment of the production plan by the enterprise. Isn't that why the barriers to defective materials are so weak?

Although not a new theme, it's just as urgent as it was yesterday, a month ago, and years ago. And so, is it not time to find ways to reduce the degree of variance in the wages of the technical inspectors, and bring them up as close as possible to the point of intersection with those of engineering and technical workers in the basic subunits? The professional requirements for quality control are today sufficiently high and so much depends on them, that any additional measures to raise their prestige and to provide incentives will, I am convinced, very quickly prove themselves. The main thing is that we will finally be able to attract high-class specialists for this far from simple work. But for now we are losing them.

Another severe problem in organization of quality control is coordination of the various types of inspections. There is more than enough disunity and confusion here. For example, in our republic there are 26 state inspectorates, inspections and inter-departmental production quality control administrations in operation. And each of these organizations supposedly does its own work. The point at which the force is applied is one and the same for all of them; that is, duplication is inevitable, but it is of no use whatsoever.

Of course one can always delimit more precisely the sphere of activities or reduce the number of the separate inspectorates. But I think that would be a half-hearted solution. Centralization of control is seen as a way out, primarily in strengthening the inspection services of the ministry, which has primary responsibility for the quality of its production, followed by the organs of Gosstandart.

In this manner it is entirely possible to solve those problems which have been troubling us for many years. The primacy of quality in production is the most important condition for further increasing the effectiveness of the economy.

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## CONSUMER SECTOR POLICY AND ECONOMICS

### PRAVDA CORRESPONDENTS INSPECT CONSUMER SERVICES SECTOR

Moscow PRAVDA in Russian 19 Jan 85 p 3

[Reports by V. Korneyev, head, department of trade and consumer services, KNK Kirghiz SSR, and V. Shirokov, PRAVDA correspondent (Frunze); P. Ochenash, electrician, Metallurgical Combine imeni S. M. Kirov, I. Sushchenko, electrical fitter, A. B. Batov mine, and M. Bublichenko, nonstaff PRAVDA correspondent (Makeyevka); V. Khar'kov, fitter brigade leader, pilot plant, M. Tripalina, labor veteran, and N. Utkin, PRAVDA correspondent (Kursk) and O. Aymal'dinov, chief, PRAVDA public service department, and P. Ivanov, communications equipment plant electrician (Gor'kiy): "That Rush-Hour Headache," "PRAVDA's Surprise Inspection"]

[Text] Recent years have seen major efforts undertaken to develop and improve our consumer services sector. We have been expanding our network of trade and personal services enterprises and improving the performance of public transportation, maintenance, repair and emergency services as well as of our housing and municipal services. But, and this is particularly true at rush hour, people are still unable to avoid long waits in lines in our stores and at bus, trolley bus and trolley stops. They have to take time off from work to get a television set or refrigerator repaired and waste enormous amounts of time and energy just to take care of other household business. These problems are the subject of the material we are publishing here, material gathered in the course of a series of surprise inspections PRAVDA correspondents conducted in a number of cities throughout the country.

FRUNZE At five o'clock in the afternoon the first stream of workers flows out the gates of the industrial plants onto the streets of the Kirghiz capital. A short time later the workday comes to an end for employees of the scientific and design institutes, the office workers and the institutional staff. Rush hour in Frunze lasts from four until seven o'clock in the evening. And on the way home most people make a stop or two in the stores.

1700. Shoppers are only barely able to squeeze their way into the tiny Bakery No 25/27 not far from a constructional material combine. The long loaves of bread on the shelves are not exactly the freshest one could imagine, what with the fact that they've been there since last night. Store director S. Myppyyeva explains that daytime deliveries are not well organized, so she has to get all the bread she needs for the day at one time.

Grocery store No 25 is across the street. You're not going to find anything in here. The reason is simple: it's been cold and the heating system has failed, as a result of which the store is constantly flooded with water, which threatens to destroy the groceries.

It should be pointed out here that it was cold in several city stores we visited on this inspection tour. As it turns out, the retail services are not prepared for any really severe winter weather. It was bitterly cold in stores No 190/31, 33 and many others.

The evening before our inspection, PRAVDA correspondents received a letter from building committee chairmen in the Alamedin development. "We have only two grocery stores," they wrote, "and these haven't been able to keep everybody here supplied with food. And not only that, there are occasions when they don't even have bread and dairy products."

And it was all true. I. Khan, deputy head of the gorispolkom department of trade, had an answer: a new department store would open in Alamedin this year. That's all very good, of course. But there's still the question of who is responsible for a situation in which for the past five years and more the people who live in this development have had either to jam their way into these two tiny stores or go all the way downtown to do their shopping.

And then there's another problem which sometimes forces city residents on the way home from work to stand in long lines for long periods of time. Due to the pitifully small volumes of product which come to the retailers prepackaged, the sales people have to weigh out many things for each customer individually. The grain-processing combine, for example, sells only some 42 per cent of its flour in prepackaged form and only 20 per cent of its bulk grain. The confectionery association delivers only 16 per cent of its candies in packages, 26 per cent of its cakes and cookies. Retailers complain about the same thing when it comes to the oil and butter supply people and deliveries from fruit and vegetable ministry enterprises.

**MAKEYEVKA** Residents of central Makeyevka are quite familiar with the easy-to-remember telephone number—052. They can call this number 24 hours a day with complaints about the service in stores, shops and housing offices.

This is a good thing, but it can't make up for shortcomings in the services with which people are actually provided. We saw the truth of this when we took a look at the operation of some of our service enterprises. According to information put out by the city soviet executive committee, of the more than 500 stores, shops and reception facilities, two-thirds are open until at least 7 or 8 o'clock at night, half are closed one day, 100 or so never take a day off. We visited 40 "centers" of the Remobuv' and Remodezhda factories and the Bytradiotekhnika and Rembyttekhnika plants. Here is what we found. Of the 13 shoe shops, only two were open at the hours advertised. Most of them were closed in the mornings and evenings, just when people want to avail themselves of the services of these establishments. We discovered a similar situation at the 15 Remodezhda shops: the sign said "Open," but the door was locked.

All five Bytradiotekhnika television-radio and radio repair shops are open from 8 in the morning to 8 at night, including Saturdays. But the people who make the house



calls to repair television sets in people's apartments work only until 6 in the evening, despite the fact that two days a week in the summer they're supposed to take calls until 9 and in the winter until 8. Refrigerator repairmen from Rembyttekhnika will also make house calls only until 6. The people in charge of these services, V. Yermachkov, S. Maksimchuk, M. Rats and V. Igin, admitted that these irregularities are due in large part to inadequate control on the part of the administration and party organizations of the enterprises involved. And when the rayon executive committee checks and approves the operation of the shops and reception centers within its jurisdiction it considers itself to have discharged its responsibilities.

The 12 housing offices comprising the city housing administration are open from 8 in the morning until 8 in the evening during the week and from 9 until 2 on Saturdays, which is all very convenient for residents. We see a different picture, however, when we look at the housing offices responsible for organizational housing, which accounts for some 40 per cent of the housing in Makeyevka. The housing offices of the Makeyevugol' and Sovetugol' associations, for example, are still observing the same hours they always did, 8 in the morning until 5 in the afternoon, and closing on both Saturday and Sunday. It is true that the people at the Makeyevugol' association told us that their housing offices are open on Saturday. But when we talked to N. Tsukanov, the manager of the housing office for the V. M. Bazhanov mine, he told us that was the first time he had ever heard of it. What this all means, of course, is that when people have business with the housing office they have to take time off from work. Why the rayon executive committees and the city executive committee tolerate a situation like this is something we can't understand.

**KURSK** The Northwest area, Kursk's newest development, is growing rapidly. Some 58,500 square meters of living area were turned over for occupation here last year. Unfortunately, however, there still aren't enough stores out here, and work on a big new department store is behind schedule. For three years now the people here have been without a medical clinic, barber shop, beauty shop, theater, drug store, cafeteria, communications office and savings bank. To place a long-distance telephone call they have to go 2 kilometers to the 40th communications office, which, however, is already overloaded.

In trying to improve services for residents out here, the city executive committee is making the right decisions; but as things stand now, it is not monitoring the implementation of these decisions. Look at the situation in connection with the savings banks in Kursk's Leninskiy Rayon. There are only one-third as many in this area as the norm calls for. Plans outlined over the past 10 years have provided for seven new class 1 savings banks here, but so far we've seen only one of them. This has caused depositors and apartment tenants to have to stand in long lines to transact their business, usually on one of their days off.

There is progress to report in the development of consumer services here, of course. But this progress has been due primarily to the attention industrial enterprise managers have given to social problems. The spare tractor part plant is a case in point. Workers here can buy anything they need right at the plant itself, and three stores have food shops. A large common area at the entrance has a fabric cutting table, barber shop, beauty shop and a shoe repair shop.

This isn't the case in all instances, however. The network of consumer services enterprises is still awaiting efforts to upgrade it. Leninskiy Rayon, for example,

still has to contend with a very unevenly distributed network of shoe repair shops, there clearly not being enough of the "while-you-wait" variety. Customers have to wait a long time to get work done at the metal and watch repair shops.

So as we can see, there is still much to be desired in the way of effective efforts to solve the social and consumer-services problems in the outskirts of the oblast center. This is to some extent the result of the rapid pace of housing construction. But were are we to look for an explanation of deficiencies in this area in the central city, where the lag in consumer services sector development is chronic? There is only one explanation, of course: not enough concern for the needs of the people.

GOR'KIY On the advice of the deputy director of the Gor'kiypassazhiravtotrans association, M. Rat, we decided to visit Bus Garage No. 1, since this is considered a model enterprise. It's just a stone's throw from Lenin Square, a drive of only 7 minutes or so. Crowds of people had already gathered at the stops. The first bus we had to take on route 34 showed up only after a 15-minute wait. But no sooner had the driver discharged his passengers than he slammed the door shut. Two more route 34 buses then pulled up, and they were both filled to overflowing. We finally managed to squeeze our way onto an Ikarus, which arrived shortly thereafter; but as it turned out, it was going only as far as the Moscow station, that is, to the next stop. To make a long story short, it took us something like an hour to get to the garage.

Now this was in the middle of the day. It's not hard to imagine what things are like on these busy routes during rush hour, when the number of passengers increases several-fold. The buses are overcrowded, the passengers jammed together. All this, of course, has an effect on a person's frame of mind and yes, on his health as well. Drivers will frequently want to let their passengers off before they reach a stop. This, incidentally, is what we observed drivers do on route 45 (Nos. 35-14 and 35-21): the slipped this maneuver in at Lenin Square, the other at the River Station.

And now imagine what it was like after all this to hear the managers of the association insist that passenger transportation plans were being fulfilled successfully and that the bus utilization factor was above the republic average. To hear them tell it, as it turns out, there would appear to be no grounds for any special complaints about bus service in Gor'kiy. But then how in the world are we to account for the crowds of passengers that form around the stops during rush hour?

The association operates almost 1300 buses on its city routes, almost half of them Ikaruses. But during rush hour only 850-900 of them are in operation. By 10 o'clock in the morning one-third of them are back at the garage. It's more profitable for the association for the buses to stand idle than to transport passengers. Intracity transport is unprofitable. Association managers are therefore showing no particular interest in expanding their passenger service. They are reluctant to extend their routes, open up express lines and add taxi service to the routes. After all, this is so unnecessary for a city like Gor'kiy, which is growing by leaps and bounds.

It should in all justice be pointed out that Gor'kiy's motorists would get on better if the city would maintain its streets better.

We would like here to call attention to one step which could be taken, but which stands no chance of it. This would be to introduce organizational bus service.

There are more than 1300 organizational buses within the city. It was over 20 years ago now that the republic council of ministers ordered these buses into service during the peak hours. The city executive committee has taken the same step on three occasions since then. The situation, however, remains essentially unchanged. Association officials themselves told us right from the very beginning that these buses carried a million passengers over the course of a year, but then they put a little sharper focus on things: the figure was actually more like 400,000. But the fact is that neither figure comes to even 1 per cent of the transportation provided by the city's transport service.

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## CONSUMER SECTOR POLICY AND ECONOMICS

### MORE MEAT BY-PRODUCTS, BETTER INDUSTRIAL EQUIPMENT URGED

Moscow MYASNAYA INDUSTRIYA in Russian No 10, Oct 84 pp 1-6

[Article by Yu. A. Krokha, deputy minister of the USSR Ministry of the Meat and Dairy Industry: "To Increase Meat Resources"]

[Text] In the realization of the Food Program, a large role is being assigned to measures for the further increase of the output of meat products. The realization of these measures is directly connected with the development of the meat industry, which constitutes an important link of the agro-industrial complex.

During the current year, in accordance with the decisions of the April (1984) Plenum of the CPSU Central Committee and the instructions of the general secretary of the CPSU Central Committee and chairman of the Presidium of the USSR Supreme Soviet, comrade K. U. Chernenko, the collectives of the associations and enterprises of the meat industry have increased labor activeness, discipline and organization in work, which has been conducive to the growth of the volumes of production, plan fulfillment, and the increase in the output and quality of work. The meat industry exceeded the plan indicators for the 8 months of 1984 with respect to the production and sale of output. Above-plan production came to 288,000 tons of meat, including 20,000 tons of poultry, 90,000 tons of sausage products, 19,000 tons of cooking oils, 12,000 tons of semimanufactures, 24 mub [not further identified] of canned meat and 1.7 canned meat and vegetables, and 20,000 tons of dry animal feed.

The rates of production and sale of most of the types of production attained during January to August 1984 exceed the rates envisaged by the annual plan. In the meat industry, work is constantly being done in regard to the perfection of technology, the improvement of the utilization of raw material, its integrated processing, the reduction of losses, and the involvement of additional sources of raw material in the output of food production. Thanks to this, during the first 6 months of 1984 alone meat resources were increased by 232,700 tons, and during the past years of the 11th Five-Year-Plan--by more than 1.5 million tons.

However, in spite of the, on the whole, positive results of the work of the industry during the current year, it is necessary to note that by far not full use is being made of the reserves for increasing production efficiency and the



increase in the output of meat products entailed by this. The industry has possibilities for the further increase in production efficiency, including through the perfection of the technology of raw material processing. One of the most important directions in this work is the more rational utilization of bone. According to data for 1983, 677,000 tons of bone were utilized in the industry for food purposes, or 76.9 percent of its total resources. This valuable raw material was basically directed into the production of meat-bone semimanufactures (25 percent), the rendering of bone oil for cooking (39.6 percent), and the sale in unprocessed form (13.4 percent).

These directions of the utilization of bone for food purposes do not guarantee its thorough processing. At the present time, abroad and in our country, new technological methods for the processing of bone are being introduced, which secure its more efficient utilization. Thus, as the result of compacting the meat-bone raw material on special equipment, the muscular part in addition is separated from the bone, which can be used in the production of meat products. After the appropriate processing, all food components are extracted from the bone residue.

The introduction of the new technology of separating the meat from the bone secures a significant economic effect. The use of presses for the separation of the meat from the bone makes it possible to obtain an economy of 28 rubles per 1 ton of bone as compared to the sale of soup assortments and ragout. Moreover, the enterprises obtain additional raw material resources for the production of dry animal feeds in the amount of 0.8 tons per 1 ton of pressed bone.

Also efficient is the utilization of presses for the complete meat separation from the carcasses of non-standard poultry. The use of the press fully mechanizes the process of separating the meat from the bone and makes it possible to utilize the meat mass obtained for the production of profitable sausage products.

All of this testifies to the expediency of the wide-scale introduction, in the meat industry, of the technology of the separation of meat from bone through the method of pressing. The ministry is setting the task of equipping, within the next few years, all those enterprises of the meat industry where this is economically expedient, with presses for the mechanical separation of meat from bone and for non-standard carcasses of poultry and sheep. Calculations show that the expenditures for the acquisition, installation and introduction of the presses can be recovered in the course of a year if they are operated at normal capacity.

For the supply of the enterprises of the meat industry with equipment, the quantity production of domestic presses of Type K25.046 for the separation of meat from bone has been organized by the Ministry of the Machine Tool and Tool Building Industry. However, the task with respect to the production of meat mass was fulfilled only to the extent of 94.5 percent during the first 6 months of 1984. The enterprises of the RSFSR Ministry of the Meat and Dairy Industry failed to cope with the fulfillment of this task. The basic reason for the systematic failure to fulfill the state plans for the production of meat mass is the unsatisfactory utilization of the existing capacities of the

presses in a number of enterprises. In addition, in some meat combines a long delay is being permitted in the introduction of the presses because of the lagging behind of installation and start-up and adjustment work.

An analysis of the presses in the first 6 months of 1984, as well as the results of the check of a number of enterprises, showed that in many of them the presses are being operated with a significant underload. Thus, in the enterprises of the RSFSR Ministry of the Meat and Dairy Industry 22 presses were operated during the expired period. If one takes into account only net working time, allowing for work stoppages for technical reasons, 3,500 tons of meat mass could be produced on these presses if they are loaded with raw materials. In actual fact only 2,400 tons were obtained. The plan was fulfilled only to the extent of 86.0 percent. It is characteristic that at such large meat combines as the Gor'kovskiy Combine (general manager of the association V. G. Kameshkov), the Kazanskiy Combine (general manager of the Tatarskoye Association Kh. A. Rakhmatulin), the Lipetskiy Combine (general manager of the association V. V. Bobilyev), the Permskiy Combine (general manager of the association A. I. Mikhlyayev), the Sverdlovskiy Combine (general manager of the association V. I. Nazarenko), the Engel'skiy Combine (general manager of the Saratovskoye Association V. F. Vlasova), and the Chelyabinskiy Combine (general manager of the association A. A. Kudryashov), which have adequate raw material resources for pressing, the utilization of the presses during this period turned out to be at the level of 14 to 57 percent. Thus, at the largest combine in the industry, the Leningrad Meat Combine (general manager of the association L. V. Antonov), the available presses have been utilized for a number of years at only 30 percent capacity. Things are somewhat better with the utilization of the presses at the Tikhoretskiy (manager A. I. Kramarenko) and the Moscow (manager Ye. M. Vasyurin) meat combines.

An analogous situation with the operation of the presses is observed at the enterprises of other republic ministries. Thus, at the Alma-Ata Canned Meat Combine (general manager A. M. Avdeyev), the utilization of the capacity of the press does not exceed 50 percent. The K25.046 Press placed into operation in October 1983 at the Petropavlovsk Canned Meat Combine is altogether idle. The directors of the KaSSR Ministry of the Meat and Dairy Industry, and in the first place the deputy ministries N. K. Kolot and Ye. A. Utegenov, as well as the chief of the Main Administration for the Meat Industry, S. Zh. Isenbayev, virtually take no practical measures to improve their work.

There are serious shortcomings in the utilization of the presses at the following meat combines: The Yevpatoriyskiy Combine (general manager of the Krymskoye Association V. I. Pavlenko), the Voroshilovgradskiy Combine (general manager D. V. Zaytsev), the Zhitomirskiy Combine (general manager of the association I. A. Podoprigora) of the UkSSR, the Slutskiy Combine (manager of the combine G. A. Borovik), and the Zhlobinskiy Combine (manager of the combine A. A. Starovoytov) of the BSSR.

An important factor, which determines to a significant degree the volumes of output of meat mass on the presses, is its utilization for the production of food production. At the present time, meat mass is permitted for use in the production of many types of boiled sausage. Permission also exists for the use of meat mass obtained during the meat separation of non-standard mutton.

Taking into account the fact that some enterprises do not have the possibility, in terms of their capacities and the assortment of products being turned out, of processing all of the meat mass being produced, the ministry approved common normative-technical specifications for the production and utilization of meat mass in the form of frozen blocks with a preservation term of 1-3 months. Thus, meat mass can be processed practically in all enterprises of the meat industry. It is natural that this requires the solution of a number of organizational and technical questions with respect to the freezing, preservation and transportation of meat mass to other enterprises, which do not have presses. As an example of the correct solution of the problems we make take the Stavropol'skoye Meat Industry Association, the Pyatigorskiy and Stavropol'skiy meat combines of which organized the processing, on presses, of non-standard poultry obtained from subsidiary enterprises, the refrigeration processing of meat mass, and its dispatch in accordance with instructions from the RSFSR Ministry of the Meat and Dairy Industry to other meat-processing enterprises. Unfortunately, this is thus far an isolated example.

During the first 6 months of 1984, the meat mass being obtained was not fully used in sausage production in the Gor'kovskiy, Engel'skiy and other meat combines. At the Kazanskiy Meat Combine only 27 percent of the bone resources were sent to pressing, and 20 tons of meat mass were processed, with the possible volume being 50 tons. Such a situation also developed in some enterprises of the ministries of the meat and dairy industry of the UkSSR, the BSSR, the KaSSR, and the MSSR. At the same time, positive results have been obtained where the managers of enterprises approach the solution of the problems with respect to the operation of the presses and the utilization of meat mass in a responsible manner and with initiative. Apart from the mentioned enterprises of the Stavropol'skoye Meat Industry Association, the Minskiy and Cherkizovskiy meat processing plants, the Tallinn and Riga canned meat combines, the Kiev, Odessa, Zhdanov, Kharkov, Alitus, Tbilisi, Krasnodarsk meat combines, and a number of other enterprises can serve as an example of this.

The efficient operation of presses depends to a large extent on where they are installed, whether the necessary temperature-humidity and sanitation-hygiene conditions are secured, and whether there exists the possibility of rapid cooling or freezing of the meat mass if it is not immediately utilized. Checks have shown that at a number of enterprises these conditions are not fully secured, which, of course, creates additional difficulties for the processing of the meat mass and its utilization. It is necessary to note also that the ministries of the meat and dairy industry of the union republics have not shown the requisite insistence and initiative in the work with respect to the creation of new types of meat products, which permit the maximum use of the meat mass. The All-Union Scientific Research Institute of the Meat Industry also has not occupied a leading role in the development of the indicated products. It is well known that abroad meat mass is widely used for the production of liver sausages and pâtés. However, the task of developing new types of such products given to the All-Union Scientific Research Institute of the Meat Industry in 1983 has not been fulfilled up to now. Also required is more thorough development of the technology of the introduction of meat mass in the production of boiled sausages.



It is necessary to bring to light and broadly disseminate the initiative and progressive experience of the enterprises of the industry in order to eliminate difficulties as quickly as possible that hold back the introduction of the presses and their more efficient utilization.

A serious shortcoming in the work of a number of enterprises that have presses is the excessively long execution of installation work during their setting up--which in the final analysis delays their being put into production. The 3-month term established by the USSR Ministry of the Meat and Dairy Industry for the introduction of presses from the day of their arrival at the enterprise is frequently not sustained. Thus, installation work went on longer than this term at the Ulan-Udenskiy and Tyumenskiy meat combines of the RSFSR Ministry of the Meat and Dairy Industry. The ministries of the meat and dairy industry of the Ukraine, Kirgizia, and Moldavia are planning to complete the installation of presses at the Lisichanskiy Meat Processing Plant, the Nikopol'skiy, Oshskiy and Dondyushanskiy meat combines, dispatched by the manufacturing plant in February-March 1984, by the end of this year. With respect to the installation of presses, things are especially bad at the Bakinskiy and Valgskiy meat combines. The AzSSR and ESSR ministries of the meat and dairy industry are unable to decide the question of their installation in the course of a year. The terms of the completion of the installation of the presses obtained in March of this year by the Pavlodarskiy and Kustanayskiy meat combines of the KaSSR Ministry of the Meat and Dairy Industry have not been determined.

These facts obviously testify to the fact that many managers of enterprises and production associations do not display the requisite responsibility and initiative, and a number of union republic ministries do not exercise effective control in the solution of the problems in regard to the acceleration of the introduction of presses for the separation of meat from the bone, their fuller utilization in terms of capacity and utilization of meat mass.

The USSR Ministry of the Meat and Dairy Industry has been set the task of a yearly increase in meat resources through the equipment of the meat combines with mechanical presses for the additional separation of meat from bone.

On 1 August 1984, 81 presses had been manufactured by the Odessa Pressmash Production Association and supplied to enterprises of the industry, and of these, 58 had been put into production. At the present time, 76 presses are in operation in the industry.

Given continuous operation of the presses, their more complete load, and taking into account the structure of the raw material being processed that has taken shape in the industry, the possibility exists to increase, by comparison with the first 6 months of the current year, the output of meat mass and to secure the fulfillment of the annual task. One of the main conditions of this is the securing of the more stable operation of the presses being supplied by the Odessa Pressmash Association. The practice of the operation of these presses during the last two years indicates their insufficient reliability. The inspection of a number of enterprises having these presses, with the participation of specialists of the Odessa Pressmash Association, confirms this conclusion.



The weakest link of these presses is the hydraulic system, and in particular the high-pressure pump and the stuffing box seal. Components of the compacting assembly (casing, ring) and systems of automation frequently fail. To eliminate these shortcomings, the Ministry of the Machine Tool and Tool Building Industry has approved a plan of measures for increasing the quality, reliability and technical servicing of the presses. In conformity with the plan, the Odessa Pressmash Association organized the output of presses of improved quality beginning with the 4th quarter of 1983. According to data for 1 August 1984, only 14 of 37 such presses were put into operation. According to available information, these presses are operating reliably at the Tiraspol'skiy, Cherkasskiy, and L'vovskiy meat combines. Naturally, a certain amount of time is required to give an objective assessment of this press design.

The All-Union Scientific Research Institute of the Meat Industry has been charged to conduct, jointly with the Odessa Pressmash Association, the development of the technical conditions for the compacting of bone. The Pressmash Association has organized three groups for the technical maintenance of its presses in the enterprises of the ministries of the meat and dairy industry of the RSFSR, the BSSR, and the KaSSR. However, thus far the effectiveness of their work is low. Facilities are lacking in the zones of maintenance of the presses, where a certain supply of necessary spare parts could be created and where a section for their repair could be set up. The presence of such stations in the press maintenance zones will significantly increase the time for the elimination of malfunctions in the operation of the presses, as well as out-of-town travel expenditures. The ministries of the meat and dairy industry of the RSFSR, the BSSR, and the KaSSR must provide assistance to the Pressmash Association in the allotment of facilities for these groups.

At the same time, it must be noted that the Ministry of the Machine Tool and Tool Building Industry has not fully fulfilled the measures for increasing the reliability of the presses and the improvement of their technical maintenance. In particular, the question of allotting funds to the enterprises for the delivery of spare parts has not been solved. The allotment of spare parts after the breakdown of presses according to the existing practice requires a long time. The enterprises of the meat industry have a right to expect, from the Ministry of the Machine Tool and Tool Building Industry and the Odessa Pressmash Association, more effective measures for the solution of these problems.

In the year ahead, the delivery of presses to the industry will be increased. The USSR Ministry of the Meat and Dairy Industry has proposed the organization of the production of universal presses in the system of the Ministry of the Machine Tool and Tool Building Industry which make it possible, with the use of an appropriate accessory press instrument, to process bone, the carcasses of poultry, and non-standard mutton. The creation of the universal press is possible at the base of the assembly for the meat separation from poultry carcasses, an experimental model of which has been manufactured by the Odessa Pressmash Association.

The bone resources for enterprises of the meat industry come to about 900,000 tons per year, but they are not used in a rational manner. At the present

time, bone fat and meat mass, amounting to about 25 percent of its total composition, are being extracted for food purposes from all of its components. The most valuable part of the bone--protein--is being used primarily for the production of glue and feeds for animal husbandry. More than 300,000 tons of bone annually are directed into the production of food bone fat. The broths obtained in so doing are utilized in insignificant quantities for food purposes. Basically they are supplied to animal husbandry farms for feed purposes--in 1983 205,000 tons of broth were sent to agriculture.

The organization of the output of food broths is connected with great difficulties. Broths are an especially perishable product, they require the creation of special condition for their production, preservation and transportation. In particular, chilled or refrigerated means of transportation are required for the delivery of broths to the public catering network.

The most promising direction--the production of broth in dry form--significantly simplifies the conditions of their preservation, transportation and sale. In connection with this, the technology of the production of dry proteins (dry broths) from bone and the production of dry broth concentrates (dry broths with spices) on their basis with the addition of salt, sugar, fat, flavor additives and spices, developed by specialists of the Design and Technological Office of the ESSR Ministry of the Meat and Dairy Industry, merits special attention and wide-scale introduction in the industry.

Dry broths with spices are high-quality food products, they are intended for the retail trade and the system of public catering as the basis for the preparation of first and second courses.

The technology of the production of dry broths calls for the extraction of fragmented bone in autoclaves and the subsequent drying of the broths obtained in an Al-FBU dryer. The proposed technology does not require large expenditures for introduction. A section for the production of broths on the basis of serially produced domestic equipment has been created at the Vykhmaskiy Meat Combine of the ESSR.

The new technology for the production of dry broths from bone was examined and approved during the current year by the section of the meat industry of the Scientific and Technical Council and the collegium of the USSR Ministry of the Meat and Dairy Industry, and the Central Industry Expert Commission for the Assessment of the Quality of Meat Products. Taking into account the experience of the ESSR Ministry of the Meat and Dairy Industry, all-union normative-technical manufacturing instructions for the production of dry food broths from bone have been developed and approved. Also envisaged by the manufacturing instructions is the production of these broths from bone residue obtained after the mechanical separation of meat from bone on presses.

For the wide-scale introduction of the production technology for dry broths from bone in the industry on the basis of the experience of the ESSR Ministry of the Meat and Dairy Industry and for its further perfection with the aim of the comprehensive utilization of all components of bone for food purposes, the USSR Ministry of the Meat and Dairy Industry has issued the order "On

Measures for the Organization of the Production of Dry Broths in Enterprises of the Meat Industry", which envisages the creation of specialized plants and sections for the production of dry broths in enterprises of the meat industry that are being built, as well as in existing ones during their reconstruction and expansion. Tasks in regard to the production of dry food broths have been established for the ministries of the meat and dairy industry of the union republics for 1985-1990.

In every meat combine with a capacity of more than 5 tons of sausage products per shift, where the removal of bone in autoclaves is performed, it is necessary to install dryers and organize the production of dry broths.

However, the technology for the production of dry broths does not secure the complete and comprehensive utilization of all bone components for food purposes. On the basis of this technology, 25 kilograms of dry protein and 100 kilograms of food bone fat can be obtained from every ton of bone. The remaining components are sent for the production of feeds. In a number of foreign countries (England, Denmark) there exists experience in the utilization of the utilization of all bone components for food purposes. On the basis of the technology of the English firm Lansfield, 130 kilograms of dry protein, 110 kilograms of food fat, and 270 kilograms of food mineral products can be obtained from 1 ton of bone. These products from bone are used as components in the production of meat products, as well as for dietary and medical nutrition.

For the further increase in the efficiency of the use of bone, it has been proposed to the industry scientific research organizations that, on the basis of domestic and foreign experience, they develop the technology and the technical means for the production of food and mineral products from bone. The State Institute for the Planning of Meat Industry Establishments has been charged with developing and sending, to the ministries of the meat and dairy industry of the union republics, design solutions for plants for the production of dry broths with the aim of their repeated use in enterprises of industry, which must envisage the packing, on specialized equipment, of dry broth with spices weighing 5-10 grams each for the retail trade, and larger quantities for public catering.

To study the experience of the ESSR Ministry of the Meat and Dairy Industry with respect to the production of food broths in 1984 on the basis of the Vykhnaskiy Meat Combine, the organization of a permanently-operating school of advanced experience has been envisaged.

The task of the ministries of the union republics and associations of the meat industry is to study the Estonian experience and to disseminate it widely in subsidiary enterprises. What turned out as the result of the efforts of the ESSR Ministry of the Meat and Dairy Industry can be organized in the majority of meat combines.

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In the industry there are large reserves for increasing meat resources and organizing the above-plan production of meat products. The daily and purposeful work with respect to the search for and utilization of additional meat resources will be conducive to the fulfillment of the Food Program.

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## PERSONAL INCOME AND SAVINGS

### DISEQUILIBRIUM BETWEEN CONSUMER SAVINGS, GOODS SUPPLY ANALYZED

Moscow EKONOMIKA I MATEMATICHESKIYE METODY in Russian Vol 21, No 1, Jan-Feb 85 pp 139-146

[Article by S.N. Ayvazyan: "Possibilities for Using Bank Information to Solve Problems of Maintaining the Commodity-Money Relationship"]

[Text] Maintaining the commodity-money relationship is one of the main economic tasks set by the 26th CPSU Congress. Various ways are suggested to accomplish this: expanding the production of consumer goods or achieving higher labor productivity growth rates relative to growth in personal income; use of the price mechanism; eliminating payments that do not match the actual labor contribution (for example, for goods priced below their worth or unsold goods), and so forth. At the same time paramount significance attaches to improvements in the reliability of information used at all levels of management and in all spheres of the national economy. In particular, what is needed for this improvement is information on cash circulation.

The existence of the two different ways for calculating circulation, namely the circulation of cash (using money) and cashless circulation (by means of the transfer of assets from accounts payable to accounts receivable) also results in differences in the quality of information. Its reliability in the management of economic relations by means of cashless transactions is much higher than when circulation is handled by means of cash transactions. Reducing this difference through improvements in cash circulation is an important condition for insuring balanced and proportional growth in the national economy. In this article we suggest a possible way of solving this problem.

The difference between money in book transactions and cash transactions is not only that in the former case they are expressed in the form of sums posted to bank accounts while in the latter case they are expressed directly in money forms, but also that because of the definite nature of the former, they can be used as input data by the management organs and processed and utilized on the basis of economic information received by a bank. [1]

The definite nature of the existence of any sum of money in a bank for the management organs results from the fact that it is accompanied by information that answers the following questions: who owns this specific sum in an account? through which economic channels was it received?? for what purpose? when should it be used, and how much? and so forth. In turn, this information shows the

processes involved in the formation and movement of material values through all the country's economic units. The latter can also be expressed, and in fact is expressed by other means of accounting and document turnover, but the method used by the bank--information accompanied by money and money accompanied by information--imparts a relationship between value equivalents, on the one hand, together with ideal information reflecting their existence, the fact of to whom it belongs, and the link and relationship; while on the other hand it offers a higher level of adequacy. V.I. Lenin noted that "to monitor and regulate ... production and the distribution of products without monitoring and regulating banking operations is unthinkable." (V.I. Lenin. Complete Collected Works, Vol 34, p 162) Attaching great significance to banking operations, V.I. Lenin thus moved to the forefront the means and methods that banks use, namely the content of information and the money stipulated by this information. Proceeding from this we suggest that the mutual accompaniment of money and information in a socialist society forms what is called bank information, and reveals its essence.

Consumer demand is planned mainly on the basis of budget statistics, figures from retail trade turnover, the results of sample studies, expert evaluations, and, periodically, from polls. Consumer polls differ substantially from the other sources of information used for planning, as for example in terms of the method by which the information is formed, the subject of production and the way it is generated. In the latter cases the behavior of the consumer is the object of observation, analysis and conclusions by researchers and planners who produce and generate plan information; while in a poll the consumer himself externalizes the information that he produces, greatly simplifying the process of decisionmaking by a management organ. But this kind of simplification gives rise to the need to use methods and means based on the reliability of consumer demand since a definite period of time elapses between the time that a poll is taken and the proposed acquisition of a commodity, and the acquisition may in fact not become a reality (it is possible that the consumer will change his mind after filling out a questionnaire, or that his demand is not effective).

It is difficult to reveal and take into account the change in consumer intentions and the level of their ability to offer effective demand that may occur between these moments in any specific case. For this reason, as a rule during consumer polls the consumer is not personified and the information that he externalizes is leveled with other sources of information in whose content any specific subject is depersonalized. This is one of the reasons for the considerable degree of indeterminacy in decisions on the production and distribution of consumer goods.\* The presence of the element of indeterminacy in plans is seen in the market, when the labor input has already been made and the commodity is being sold directly to the consumer. On the one hand, not all commodities produced are sold, and on the other, there is increased demand for individual groups of commodities. Here, the following cases are possible: a shortage of individual commodities in some places and "overstocking" in others even given a potential match between supply and demand countrywide; supply being greater than demand for individual commodities; shortages of specific commodities in general (particularly new kinds).

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\* Indeterminacy in trade is considered in depth in references [2, 3]

The sum of these mismatches creates a mass of old commodities that are underpriced, some part of which is not sold.

The structure of effective demand creates boundaries within which individual consumer goods are recognized as social consumer values. Crossing these boundaries in the production of any commodity leads to labor costs that are not socially necessary. But the unjustified costs do not end there; they are seen in the form of the expenses incurred in storing these commodities until they are used for purposes other than the original intention. Given equal value for output produced for consumption and for the total sum of incomes paid to the population, the unjustified expenditure of social assets and work time to produce a given commodity is inevitably accompanied by a shortage of resources to produce other commodities; which, in our opinion, is the main reason for shortages in general [4, 5]

In the final analysis a shortage weakens incentive to labor and thus hampers growth in social production and improvements in efficiency [6, pp 54-55]. "Surplus" consumer savings are formed and favorable soil is created for the emergence of unearned incomes and the hoarding of money by the population. As a result, part of the total money supply is withdrawn from circulation, promoting the issue of additional paper money.

Redistribution of part of income produced among consumers bypassing the government intensifies differentiation in consumption and hampers full realization of the socialist principle of distribution according to labor.

Here it is possible that some of the mass of old commodities are not sold because of their poor quality, unfashionableness or oversupply, or as the result of consumer budgetary restraints, intensifying because in some cases consumers are "forced" to overpay because speculation affects the prices of other commodities. At the same time that part of the population enjoying sources of unearned income, is offering additional demand, unjustified by labor, for high-quality goods because these kinds of incomes are derived from expensive articles and services. The existing methods of control and the forms of retail commission trade and other services spheres are unable effectively to prevent these expenses, thus promoting the formation of incentive to obtain unearned income. Therefore, along with shortcomings in the planning and organization of production and distribution, at the basis of the mismatch between supply and demand we also find an inadequate mechanism by which the state can redistribute personal money incomes.

Thus, the lack of reliable information on consumer intentions (even for expensive commodities) and of data on effective consumer demand and the labor nature in the formation of the sums of money involved makes it difficult to regulate and manage the commodity-money relationship. Accordingly, in order to insure in a planned way the balance between supply and demand at all levels of the national economy it is expedient to develop organizational structures and control methods by which the existing shortcomings in this sphere would be reduced by means of using all the advantages of banking information.

It is expedient to improve cash circulation in a way calculated simultaneously to promote improvement in the methodology for balancing supply and demand. In



solving this complex problem an extremely important role will be played by consumer personal savings in anticipation of the cost\* of consumer goods that are to be produced in the future.

To this end it is expedient to set up an information system in which the process of the formation and movement of personal incomes and the shaping of consumer intentions would be simultaneously reflected by means of organizing goal-oriented savings [9, 10]. And here the organization of goal-oriented savings should in terms of their content realize the principle of the "classic" order\*\* at a higher organizational level with relatively "steady" movement of cash sums from consumers to producers during the period of production and delivery of the finished product, in the form of intermediate payments.

A system based on a combination of information flow and money flow will simultaneously fulfill a number of functions: first, the acquisition and recording of information when effective consumer demand is outstripping supply; second, monitoring consumer sources of income; third, "uninterrupted" reflection of variations in preferential demand and the ability to distinguish the stable part of demand; fourth, circulation of all the money formed among consumers, using the methods of cashless circulation.

The activity of the economic mechanism under the conditions of an information system fulfilling these functions presupposes consideration of the specific requirements under which the possibilities of the national economy and the aims of consumers will be matched. First, goal-oriented savings can be received only from state institutions or other sources controlled by the state. Second, goal-oriented contributions should be organized for the purpose of acquiring expensive commodities that require relatively prolonged saving of assets. Third, limits should be set within which consumer demand is transformed into an order to an enterprise on a contractual basis.

The operation of the economic mechanism in first approximation is thought to be as follows. Wages or other payments made to consumers by state institutions and enterprises (or that part that is kept by the consumer in the form of savings) are transferred to the corresponding account of the consumer or his family. As the owner of the savings, the consumer makes goal-oriented contributions (or orders) for the proposed commodities directly from the savings account and makes the advance payments for his orders as the saving balance grows.

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\* Cost anticipation as a research subject deserves particular attention. In this article we consider one of the possible ways of using it in the national economy. For further detail see [7 and 8]

\*\* By "classic order" we mean the following form of economic relations: the consumer states his desire to acquire a product that will potentially be manufactured by a producer, concludes a contract with him under the terms of which he pays an advance (for example, a deposit) or pays in full for his order, and then acquires the product as soon as it is made. If either party violates the contract he bears the material loss in favor of the other party, thus making violation of the contract unprofitable for either party.



Given compliance with certain requirements concerning the degree of reliability, the orders being formed in the savings bank are converted into orders to the industrial enterprises. After the order has been met and the consumer receives the commodity a credit may be due if the amount in the goal-oriented account is insufficient to cover the selling price of the commodity. Here, the rule of the savings bank applies: over the course of the year cash payments to any account can be made only a limited number of times, with restrictions on such payments and explanations of the source of the cash\*; any transfers from one account to another are permitted without constraint so long as the state tax is collected depending on the size of the transfer.\*\*

The organization of an information system with the characteristics considered above can be done as follows [11, 12].

Each savings bank, equipped with up-to-date computer equipment, will provide service for the consumers in any specific microrayon in accordance with the standards laid down for the numbers of consumer savers per savings bank.\*\*\* A personal account is opened in the depositor's name (or a family account can be opened); the account is divided into two parts, namely "Money" and "Commodities," similar to the deposits made under the existing method, but the "Commodities" part is used for goal-oriented accumulation.

For the commodities for which goal-oriented saving is organized, catalogues are compiled by the state planning organs. The catalogue contains a product list for the commodities (with illustrations and descriptions of the technical features) for which goal-oriented saving is organized, together with the retail prices, the size of the "guaranteed despoits" required, and the schedule for meeting orders. The catalogue includes those expensive commodities for which production can meet demand, and also new commodities for which demand has not yet been created. Since shortages of most goods are now regional in nature, the catalogue should reflect such regional shortages by not showing such goods in the regional catalogue; such goods should be included subsequently after an accurate inventory check has been made of such goods in other regions and production has been increased by means of the zonal method for the dissemination of measures throughout the country. The goods described in the catalogue are withdrawn from retail sale and marketing is done entirely through special orders.

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\* This rule in no way diminishes the rights of the consumer because he needs cash mainly for inexpensive staple commodities. Here, he can always cover his expenses from savings in the "Money" part of the account in such a way that he holds very little "surplus" cash.

\*\* The collection of tax is explained by the same motives as under existing procedures for taxation for inheritances or paid services, as for example, tutoring. The confidentiality of cashless deposits and transfers is observed.

\*\*\* In this case the savings bank can, from our point of view, be regarded as a form of consumer cooperative organization. [13, p 343]

The size of the "guaranteed deposit" is insured by the reliability of the information about demand from the consumer-depositor: if the anticipated total for a specific order exceeds the amount of the "guaranteed deposit," then the depositor's order should be calculated and paid for within a set time period; if it is less then the order is regarded as a prospective order.

The rate of anticipation toward the required sum is regulated by means of setting a time period for the completion of the order; for example, the average monthly payment should be no greater than the relationship between the price of the commodity and the length of the period for the fulfillment of the order, in months.

The size of the "guaranteed deposit" and the length of time set for fulfillment of the order are objective normativs that insure an agreement of interests between consumer and producer. It is expedient to make provision for the following cases:

1. If the order is met within the set time period and the cost of the commodity at that time has been completely anticipated, then the interest on savings deposited up to the price of the commodity remains in the bank, becoming payment for services rendered to the purchaser, while the calculation is done by the clearance method of accounting, modified for the proposed commodity marketing system.
2. If by the end of the time period set for completion of the order the cost of the commodity has been fully anticipated but the order is late, then as compensation the purchaser is paid a set sum proportional to the period of delay; this sum comes from the profits of the producer or marketing organization. In a specific case this is done by lowering the selling price by the appropriate amount.
3. If the order is completed on time but the full price has not yet been paid (but the amounts of the "guaranteed deposits" have) then the bank provides a loan to the consumer in the amount by which the sum is short.
4. If neither of the parties meets his obligations within the time set then the measures envisaged in previous points come into force as soon as one of the parties meets his obligations.

The usual interest is paid for money deposited in the "Money" part of an account. The depositor himself effects the transfer and redistribution of money into the "Commodity" part of the account using the goal-oriented contribution channel. Here he may accelerate or decelerate the rate at which an order is fulfilled or he may cancel the order before the "guaranteed deposit" has been made. In the event of cancellation of an order after the amount specified for the "guaranteed deposit" has been paid, the depositor must pay a penalty. The transfer of money from the "Money" part of the account to the "Commodity" part should have priority over transfers the other way; in the latter case a penalty is exacted as for cancellation of an order.

As a result of the acquisition and processing of initial data received from the consumer-depositor the savings banks will have at their disposal data on

the following: the full products list for commodities ordered by consumers in a region and the total anticipated costs for each commodity; a products list for commodities for which the size of anticipated costs have exceeded the "guarantee limits"; the order of priority in consumer demand for each commodity as a function of the size of anticipated cost and the time that any first deposit was made; a scale indicating the range of consumer goods by preference; the volume and composition of consumer goods sold to each consumer (or family); and so forth.

Information processed in the saving bank will be sent to the marketing organizations, the bank, and the pricing and planning organs. The marketing organizations will receive information as physical indicators for the structure of commodities sold during the current period, and also information about consumers' medium-range and long-term plans. The data received by the marketing organizations will form the basis for forming orders for producers for goods or services, and producers will build the cost-accounting relations taking this information into account, namely the orders for which they will be contractually obligated.

It is advisable to market expensive commodities that for the time being will not be included in the catalogue, using accounts' checks that can be returned to the saving bank; other commodities can be sold using the existing method.

Because of the colossal expansion in the volume of operations, the data flow and the clientele serviced, introduction of the proposed information system will require the development of powerful computers within the savings bank and banking system and careful work to compile the catalogues, and many other organizational measures. In particular, it will be necessary improve methods and extend the facilities available for purchases of commodities by individuals and to handle the accounts involving the transfer of sums to the savings banks.

The system will have to be introduced gradually, in stages, taking into account the factor of slow assimilation by the public of innovative processes in society.\* During the transition period it is advisable to make use of additional factors that will accelerate the process of introduction, for example, accumulation of large sums of money without restrictions, hoarding by individual citizens without explanations required for the sources, and so forth.

By being "filtered" through the savings banks, consumer demand will form objective information on whose basis the state and the enterprises will be able to determine the quantitative boundary for the time needed to produce a specific commodity included in the catalogue. Manufacture of commodities in accordance with this information will insure high final results for enterprises for the production of goods in the catalogue.

If the savings banks are used as a basis for creating a real information system for the collection and processing of "subjective" information about consumer intentions and preferences and on this basis additional links are established in economic circulation, then we shall have a "feedback" requirement for production at the national level for the purpose of regulating it by means of a money mechanism.

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\* Special studies (for example, [14]) have shown that it is very difficult to get the public to switch from the use of cash transactions.



The dynamics of consumer anticipation of the cost structure will be reflected directly in the savings bank accounts. Anticipation of the cost for each individual order will occur, as it were, "by quanta" of money sums up to the required amount (the cost of the commodity). In turn, these sums in the accounts are distributed in accordance with the structure of retail prices according to the nature of expenses in circulation. The structure of retail prices for industrial output is formed on the basis of wholesale prices for the enterprise and the industry. They are calculated according to the nature of the costs involved: the wholesale price for an enterprise includes prime cost and enterprise profit; the addition of the circulation tax and the marketing and transportation costs and the profit of the marketing organization form the wholesale price for the industry; the retail price is obtained by adding to the above the cost of circulation and the profit of the trade enterprises. Hence, the size of the anticipated sum when ordering a specific commodity will gradually reach the level of the corresponding kinds of costs and prices during the process of bringing it up to the required amount, and thus their application as a financial or credit resource through the channels of utilization will be predetermined. Therefore, according to the structure of demand being created in the savings banks, Gosbank on the one hand, and the planning organs, on the other, will simultaneously and consentaneously regulate production and distribution of output included in the catalogue.

The appearance of a new commodity with given consumer properties in a given place can determine for many years the formation of similar conditions in other parts of the country. Accordingly, initial advertising of a new article should accelerate the process by which its production is formed and demand is shaped for it in other places, with minimum expenditures of assets and resources.

Those commodities whose production can be assimilated with the technical and technological facilities already in place in production are the ones that should be advertised. But the ability to assimilate mass production still does not mean that an extensive range of consumers will want them. The process of production and marketing of new articles countrywide should proceed from the readiness of the public to use them. One criterion could be the public's anticipated costs to achieve a given end. By anticipating the cost of acquiring a new commodity the public will stop using other commodities whose production is already set up. This will be reflected in the bank accounts and the trade orders. In this way the state will obtain adequate information about demand for a new commodity as soon as it becomes available, and also information about declining demand for the commodities for which the new commodities are substitutes. The consumers who respond most quickly when a new commodity is offered are those who are already "saturated" with existing commodities, that is, families with high incomes. For them, being the first to acquire new commodities is a main motivating force. It is expedient to take this circumstance into consideration when setting the initial retail prices for such commodities.

In connection with the availability of "surplus" money in circulation for new output, two levels of retail prices could be envisaged, an upper price and a lower price (the prospective price). When fixing the circulation tax in the structure of the upper price it is essential to proceed from the total amount of "surplus" money and its distribution among the population, which will correspond to that part of assets in the "Money" part of the savings bank



accounts. Within the structure of the lower price the circulation tax is fixed on the basis of consideration of the materially backed part of money savings, that is, that part that production can potentially satisfy, which will be the rest of savings in the "Money" part of accounts.

The sale of new articles will make it possible to take into account those savings that are taken from "surplus" and used in payment transactions by means of transferring them from the "Money" part of a personal account into the "Commodity" part. The decrease in "surplus" savings in the "Money" part of accounts and the dynamics of effective demand for new products will be regulating factors in lowering the upper price for an article down to the lower price.

Initially, while "surplus" money savings exist, it will be expedient to refrain from any policy of reducing or increasing prices for commodities that enjoy steady demand. It is preferable to reduce prices only for new commodities in line with the increased demand and increased production and to raise them for commodities for which demand is declining, in line with the decline in production.\*

Introduction of the system considered will reduce the likelihood of overproduction and underproduction of commodities included in the catalogue. And it will save the time of the consumer spent on looking for and acquiring commodities included in the catalogue. Consequently, a corresponding degree of social assets required to transport consumers, distribute and store large amounts of commodities and so forth will also be saved.

Insuring a structural balance between supply and demand for existing expensive commodities not in short supply and for "new" commodities will free up considerable material and labor resources, and this will make it possible to expand the production of output in short supply. This will lead to a weakening of incentive to form unearned income and will exert a marked effect on improvements in the quality of decisionmaking and plan substantiation. Socialist economics will have an information system that provides for the national economy more reliable data on effective consumer demand, and these data will not lose their significance for planning and management even after shortages of consumer goods have been eliminated.

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\* Raising prices for commodities for which demand is declining should serve two purposes: first, it provides incentive for consumers to reject commodities that are being supplanted; and second, it enables profitable production to be continued for those consumers with "conservative tastes."

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